Beginning "Is There Magic in Mergers"

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Financial Paper

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Canadian Mining
News Department
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Vol. XXVI Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, FEBRUARY 6, 1932 10c a Copy; $5.00 a Year No. 6

The Nation's Business

Falling Revenues and Rising Costs
Huge Deficit Faced by Dominion
Bitter Views Spoken on Tariff
Need for Reasonable Views on Protection

Large Deficit Looms at Ottawa

TO THOSE who favor strict economy in government business, the latest income and expenditure statement of the federal government makes doleful reading.

This statement covers the nine months of the fiscal year—April 1 to December 31—and reveals the general outline of the annual statement which the government will have to bring down in parliament at budget time.

First there is the matter of Dominion debt. Here the comparison is between December 31, 1930 and 1931. The debt has grown from $2,354,705,225 to $2,549,349,908. This is the funded debt, and the increase amounts to $194,644,682.89. In addition the financial statement shows that the government as at December 31, last, had temporary borrowings, probably from the banks, of $18,000,000. There were no loans of this kind last year. All told, therefore, the increase in debt runs to $212,644,683.

* * *

THERE are two other interesting points in the federal balance sheet. The federal government has advanced $15,007,167 to the provinces. The purposes of these loans, and amounts per province, are not disclosed but the probability is that this money was given in order to prevent some of the provinces from defaulting, and to pay the provincial and municipal shares of relief work and direct relief. No doubt the Dominion holds provincial bonds to cover these loans.

The other point is that the government advances to the Federal Farm Loan Board are rising rapidly. As originally planned this board was to be self-sustaining, free from government subvention. All that was needed was for the government to put up the initial capital. The board would sell debentures to cover subsequent requirements. On December 31, 1930, the government had invested $4,819,835 in this venture. At the end of last year, the figure was $6,739,047.

* * *

THE position of the revenues for the nine months is this:

Total income was $254,648,151 or a decrease over the corresponding period of last year of $35,517,893.

Expenditures were $308,947,638, against $306,150,616 last year—or an increase of nearly three millions.

Thus, while revenues have been falling away rapidly the government actually has been spending more.

The deficit thus disclosed is $54,299,487 for the nine months. If projected for the full year the total would be $72,399,316. Add to this $100,000,000 for the Canadian National Railways—the deficit and the capital expenditures—and a reasonable sum for the 1931 unemployment relief policy, which so far shows an expenditure of but four millions, and the grand total to be added to public debt reaches perilously near to $200,000,000.

* * *

THE detail of revenue and expenditure is of interest.

Revenue for Nine Months

	1930 $	1931 $
Customs	104,645,516	80,956,576
Excise	46,549,068	38,820,432
Sales, stamp tax etc.	26,665,054	42,104,827
Income tax	69,124,410	53,940,006
Miscellaneous	737,239	703,317

Interest on public debt may be eliminated from expenditures as it shows little change.

Expenditures for Nine Months

	1930 $	1931 $
Pensions	29,288,334	32,660,844
Land settlement	957,585	766,935
Pensions & national health	6,610,624	7,480,687
National revenue	8,965,569	8,918,762
Post office	21,818,372	21,573,491
National defence	9,224,267	8,061,401
Agriculture	6,168,442	6,089,622
Public works, out of income	17,622,871	11,412,712
Dominion lands and parks	3,984,966	2,032,020
Trade and commerce	4,539,838	6,226,554
Civil gov't	9,420,846	9,044,412
Other expenditures	49,793,116	45,253,584

* * *

THE ordinary expenditures are down from $280,000,000 to $268,000,000 or by $12,000,000. Several of the items actually show an increase, others disclose that some effort has been made to whittle down costs of government. The chief items of the reduction, however, indicate that the decline is no real evidence of economy. Six million has been cut out of the cost of public works built out of income. But the government is carrying out a building programme of its own under the relief work policy, so that this change is largely a bookkeeping entry. Another four millions is gained because Manitoba received this sum last year in final settlement of the resources question, and, naturally it is not a recurring item.

Now come the special expenditures.

	1930 $	1931 $
Unemployment relief of 1930	nil	12,585,518
Unemployment relief of 1931	nil	3,931,677
Wheat bonus	nil	6,762,813
Public works charged to capital	9,026,480	6,074,514
Canals and r'l'ys.	12,930,940	8,721,265

The special and capital expenditures are up from $22,000,000 to

(Continued on page 2, col. 5)

SIMPSON'S LTD. SALES ARE HIGH PROFITS DOWN

Mild Fall and Winter Cut Business Though December Total Up

JAN'Y IS DOWN AGAIN

Departmental Store Costs Increased By Higher Taxes and Tariff Uncertainties

In the year ending February 3, 1932, Simpson's, Ltd., by aggressive sales and advertising policies backed by careful buying, maintained its business volume at a high point in the face of probably the greatest difficulties experienced by department stores generally in the whole 60 years that Simpson's has been in business. The extraordinary mild fall and winter practically cancelled a great deal of the seasonal buying in warm clothing and especially in sports and other winter needs, and, though December sales mounted higher than December sales in Simpson's record year of, 1930, January business was again disappointing.

It is likely that in a time of declining commodity prices a company like Simpson's, obliged, in order to serve its public well, to maintain goods inventories totalling many millions of dollars, must have had a continual problem of writing down values to lower and lower levels, however well-judged may have been its buying policies and however quickly it may have moved the goods from counter to customer.

Tariff Uncertainties Hurt

Great economies were effected during the year and goods bought in bulk were obtained much cheaper than at any time since pre-war days but the company had artificial obstacles beyond its control to meet in the way of rising taxes and elastic Customs rulings as to valuation for duty purposes of imports. Especially severe has been the working of these customs rulings in the case of imports from countries whose currencies had either depreciated or appreciated with regard to Canada's dollar. The element of insecurity has made it difficult for importers to know their costs. This was true of goods of a kind not made in Canada as well as of goods that competed directly with Canadian products.

All this will probably make a difference of some hundreds of thousands of dollars in the net level of profits made by the company. Until there is some stability in tariff matters, this uncertainty as to exact business costs will continue. The prospects for 1932 are for still higher taxes than in 1931, even without an increase in assessments and in services rendered.

Owes the Banks Nothing

Simpson's, Ltd. has completed its year in the face of these difficulties without owing any money to banks. Its statement to be issued at the end of February, is expected to show a strong liquid position with inventories conservatively valued. The aggressive new departures in mail order selling and in expanding the Montreal store to present large dimensions have received an encouraging response.

New Catalogue Works Well

"Canada Wide," the name of the new catalogue which Simpson's mail order department turns out six times a year in place of the bulky semi-annual catalogue which was used until 1931, is proving itself, officials say. While volume of sales for 1931 is 11 per cent lower than in 1930, they believe the drop would have been much greater if the old type of catalogue had been used. For example, the largest mail order house in the United States is reported to have had a drop in total volume in catalogue business in 1931 as compared with 1930 of 28 per cent. Canadian sales therefore, they believe, would have been lower still but for the interest created by frequent editions of "Canada Wide" on good paper run off the largest rotogravure press unit yet manufactured on this continent, and containing latest information on goods, prices and styles.

As the new catalogue circulates all over Canada in towns and rural sections, the response is naturally lower because of the restricted buying power of farm populations at present. It is expected that, when business improves for the farmer, mail order business will show the results of the present large circulation of "Canada Wide." The early spring issue, turned out in the middle of January, comprised more than 1,000,000 copies and the six issues of 1932 will, at this rate, total 6,000,000 copies or more. In the last issue some magazine features were included to stimulate reader interest, and this department may be somewhat extended during the year.

Taxes Displace Dividends

Judged by the financial statement for the year ended January 28, 1931, the company needed about $1,872,372 to cover taxes and dividends in the year ended Feb. 3, 1932, as well as an unknown amount for depreciation and reserve for bonuses and employees' savings and profit-sharing. Its actual net earnings in 1930 were $3,277,687 and from this had to be deducted $101,000 reserve for taxes (which was larger for 1931 and will rise higher again for 1932), $80,485 for R. Simpson Co. 5 per cent first mort-

(Continued on page 2, col. 4)

Quebec Power Profits Under Charges for 1931

From Our Own Correspondent

MONTREAL.—Quebec Power had to dip into its reserves to the extent of $89,000 during 1931 in order to pay all charges, including dividends on the common stock which were cut by 20 per cent not long ago. This is the substance of a statement made by Premier Taschereau in speaking to the Private Bills Committee of the provincial legislature on the bills submitted to the government by the City of Quebec and Quebec Power Co. which are at loggerheads over the matter of rates.

Quebec municipality wanted the power to municipalize electric services and to that end applied to the legislature for authority. In protecting its own interests the Quebec Power Co. sought an amendment to the city charter setting forth terms under which the services could be municipalized and at the same time also wanted amendments to its own charter.

The outcome of the legislative battle was that the city's bill was rejected and the power company's amendments were withdrawn. The Quebec Government will instruct the Public Service Commission to make a complete investigation of electricity rates in the municipality and the province will foot the bill. If no agreement is reached by next winter, the legislature will intervene.

DOMINION TAR COVERS NEEDS IN PAST YEAR

Heavy Capital Outlay Made by Concern of Late

UTILIZES FACILITIES

New Toronto Phenol Plant Expected to Benefit Operations This Year

From Our Own Correspondent

MONTREAL.—Despite a falling off in demand for some of the products of Dominion Tar and Chemical Co. earnings in 1931 were sufficient to cover all interest charges and preferred dividend requirements. Final results from the various units are not yet available and an estimate of share earnings on the common stock is not feasible. Indications are, however, they will fall short of the $1.70 a share reported in 1930.

That preferred dividends have been covered is encouraging in view of the fact that the company has made heavy outlays on capital account in the past few years, an undertaking which sometimes finds a sharp reflection in junior security earnings when business falls off. No expansion was carried out last year, however, with the exception of the erection of the new phenol manufacturing plant in Toronto, and the company evidently found sufficient volume of business in 1931 to carry the substantial additions to plant made in previous years.

Issued More Securities

To enable it to carry out this expansion, additional securities were issued and at the end of 1930 there were outstanding $5,500,000 of 6 per cent debentures, $5,035,000 of 6½ per cent preferred stock and 272,500 shares of common, in addition to $410,700 of preferred stock of a subsidiary, Alberta Wood Preserving Co.

A sharp decline in sales of creosoted ties was experienced last year, a natural reflection of the tendency of the railways to restrict their commitments to a minimum. Dominion Tar has built up a large business in this field, and the activity of the railways in connection with replacements and branch line building has a definite bearing on the company's creosoting operations.

Building New Outlets

The policy of diversifying production and building up new outlets for by-products has been a noticeable factor in the company's ability to maintain its business on a relatively satisfactory basis. In addition to seeking to widen the market for processed timber, channels for sales of by-products have been opened through the formation of subsidiary companies.

An example of this is seen in the Fibre Conduits, Canada, Ltd., which came into operation two years ago. This company, operated as wholly owned subsidiary of Dominion Tar, makes heavy fibre conduits and accessories which of course are treated with chemicals originating in the plants of the parent company. A good market has been established for output of these conduits and further possibilities in

(Continued on page 2, col. 4)

Gasoline Price Probe Wanted by Westerner

Daily newspapers have given prominence to the reported intention of a member of Parliament to seek at the next session of the Dominion Parliament for a commission to investigate gasoline prices in Canada.

Executives of large oil companies in Canada told a representative of The Financial Post, who enquired as to their attitude toward such an enquiry, that they would welcome it if any body of people in Canada thinks that the companies have been making unreasonable profits. Some years ago G. T. Clarkson conducted a Canada-wide investigation of the kind for the Ontario government. At that time it was estimated that a profit of half a cent a gallon was made by the industry but in 1931 the margin of profit was smaller than at any time in history, executives say. Volume secured through tariff protection alone enabled such a profit to be shown at all.

DOMINION STORES PROFITS ARE EQUAL TO THOSE OF 1930

Common Earnings Are $1.90 Per Share—Sales Highest Yet

Dominion Stores shared honors in 1931 with Bohack & Company, of New York City as the only chain store companies on the North American Continent to show increases in dollar sales over those of the preceding year. Actual net profits of Dominion Stores, however, were just about equal to the $530,809 shown for 1930, according to an official statement given "Canadian Grocer."

Total sales were $25,200,927, the largest in the company's history. The net profit on this basis was about 2.10 per cent of sales volume. Dividend of $1.20 a share on common stock will be covered with $1.90 earnings, showing a 70 cent margin, according to this statement. Sales in 1930 were $24,118,585, the 4½ per cent increase noted in 1931 being the result of additional stores opened. Instead of 527 as on January 1, 1931, the year closed with 580 stores. The greater part of this expansion occurred in the Maritime Provinces but large new stores were also opened in Montreal and Toronto.

In a recent address before the Advertising and Sales Round Table Club of Toronto, W. S. Pentland, president of Dominion Stores, spoke frankly as to the progress and present condition of his company. He stated his belief in courageous advertising at this time of depression, said that wages had not been reduced at all in the last three years and said that 30 per cent of the goods sold were standardized advertised goods on which they made no money. Chains had difficulties in arranging rebates and allowances with manufacturers.

Mr. Pentland said that he could get a three-year record of any store in his chain in half an hour. A close watch on such a large business was absolutely necessary all the time.

Although Dominion Stores show-

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Donnacona Passes Debenture Interest

From Our Own Correspondent

MONTREAL.—Interest on the "A" and "B" debentures of Donnacona Paper Co. due February 1 has not been paid. There are outstanding $4,000,000 of the "A" and $600,000 of series "B." Both bear interest at the rate of 6 per cent and mature in 1948. Interest on the first mortgage bonds has been paid.

The default in debenture interest payment is not unexpected in the light of earnings reported in 1930. In that year, bond and debenture interest was covered by a margin of $1,178 but no provision for depreciation or depletion, which totalled $201,957 in 1929, was made. During the current year it is unlikely that there has been any improvement in earnings with lower prices prevailing for newsprint.

Public investment interest in the debentures is confined to the $4,000,000 of series "A." These were sold in January, 1928; interest is payable in Canadian or U. S. gold coin or in sterling at the fixed rate of $4.86 2/3 to the pound. The Series "B" debentures were sold privately in 1930.

Donnacona Paper Co. was originally incorporated in 1912 with an issued capital stock of $1,635,500, 7 per cent preferred, and $1,500,000 of common. In 1927 Price Bros. and other interests bought out the outstanding shares at $110 for the preferred and $100 a share for the common which had a par value of $20. Securities presently outstanding comprise the financing which was subsequently carried out.

LOBLAW SALE CHICAGO UNIT IS PROPOSED

Shareholders of Subsidiary Meet February 5 in Buffalo

HAS 75 STORES

New York State Operations Have Carried Western Group of Stores Along

Sale of the Chicago division of Loblaw Groceterias, Inc., subsidiary of Loblaw Groceterias Co., will be considered at a special meeting of shareholders of the United States company which has been called for February 5 in Buffalo. An offer has been received for the purchase of certain assets and the lease of certain other assets of the company in Chicago. In this area the company operates 75 stores and a warehouse while another 45 stores are operated in Buffalo and New York State. The offer of purchase does not include the Buffalo stores.

Conditions in the Chicago area are not satisfactory from an earnings standpoint and there is a large proportion of unemployment in the city. The Chicago stores of the company showed net earnings for the first time in the year ended April 30, 1931, as compared with deficits in the preceding years. Net earnings, however, were not sufficient to meet interest charges or depreciation. Prospects for any immediate improvement in general business conditions in Chicago are not regarded as bright and with sale of the Chicago unit it would be possible for the United States company to centre activity in the Buffalo area where stores have shown net profit in the past three years after provision for interest and depreciation.

Might Retire Loans

In the letter forwarded to shareholders no indication is given as to the probable purchaser or the amount offered. Cash sale of the Chicago business, however, might be expected to permit reduction in advances to the company which totalled $1,875,000 at April 30, 1931, and which were largely incurred in opening the Chicago stores. According to income and surplus account of the company for the year ended April 30, 1931, interest on loans and mortgages amounted to $150,348 against a trading profit of $129,434. The trading profit was derived entirely from the Buffalo group which showed $204,461 profit against a net trading loss in the Chicago area of $75,027.

The United States company was formed some six years ago and stores were opened in Buffalo the number increasing to 45 at the present time while in 1931 construction was started on a new and modern warehouse. When Buffalo business was placed on a profit making basis the Chicago unit was started and the number of stores was rapidly increased to 75. Capital stock of the United States company was split in February, 1928, and of the 56,033 shares of no par value now outstanding, Loblaw Groceterias Co. owns 28,600 shares. There is also $2,475,000 shares of preferred stock outstanding of which the parent company holds 2,841 shares. No dividends have been paid on either the preferred or common stocks of the United States company.

Canadian Profit Higher

Sales of Loblaw Groceterias Co. have shown a decrease of 11.56 per cent in the 32 weeks ended January 9 of the current fiscal as compared with sales in the corresponding period of the previous year. Profit, however, shows a drop of but slightly over 5 per cent. In the four weeks ended January 9, 1932, sales of $1,248,176 were 9.69 per cent under the sales of the corresponding period of the previous year, the smallest drop of any period in the current year, while profit at $99,567 was practically the same as in the same period of the year before. The improvement in earnings follows the opening of several new stores during the latter months of 1931 and the inauguration of self-serve meat departments in five stores.

Statement of sales and profits in the last four week period and cumulative figures for the current fiscal year to date are as follows:

Four Weeks Ended January 9

	1932 $	1931 $	Decrease %
Sales	1,248,176	1,421,916	9.69
Profits	99,567	99,646	.08
32 Weeks End. Jan. 9:			
Sales	9,343,717	10,565,431	11.56
Profits	610,962	643,423	5.05

Mitchell Grain Makes Bankruptcy Assignment

From Our Own Correspondent

WINNIPEG.—Assignment in bankruptcy was made by the Mitchell Grain Co., this week. Liabilities are stated to be approximately $85,000, and assets are listed at $160,000, consisting mainly of book debts, but as to the proportion of these collectible it is difficult to make an estimate. The main business of the firm was in grain options, and various creditors in the West have claims totalling about $45,000. The largest unsecured creditor is the Mitchell Thompson Grain Company, to the amount of $20,000.

The Trader's Trust Company was named as custodian. Registrations of the Mitchell Grain Company and of the Mitchell Thompson Grain Company were subsequently cancelled by the Winnipeg Grain Exchange.

Canada's Record Shows Over 200 Big Mergers

"Is There Magic in Mergers?" is Question to be Discussed in Group of Articles

By JOHN E. LANGDON
Article One in Study of Merger Movement in Canada

Consolidations or mergers hold a fascination for the investor and for the public alike in a manner which is not exhibited toward any other form of corporate activity. It is difficult to say why this should be so, except that the man in the street is impressed by "bigness." It grips his imagination. Whether or not a consolidation is effected along sound economic lines is a matter almost wholly outside his realm of consideration. This admiration for things big is not characteristic of this country, but is common to the people in every major industrial nation.

Is this admiration justified in the light of facts? Does it signify the intuitive instinct of the public that industry is better off by its consolidations? That the public fares better in the hands of big business? That the investor's capital is safer and the returns larger?

Look to Past Record

There is no conclusive answer to these questions. But by delving into Canada's merger history, it is possible to arrive at generalizations and, in some instances, definite conclusions on the value or weakness of certain mergers.

One thing can be proven; there is no magic in mergers, although there may be magic in management.

There has been a tendency to date mergers from the time Rockefeller brought the Standard Oil into being. This was not the first modern type of merger by any means, for even in Canada we have the Trinidad Electric Co. organized by Maritime interests as far back as 1869. Since that date there have been nearly 200 Canadian mergers of public importance. Of this number many have long since disappeared, some have been merged again and again, while not a few continue to retain their corporate identity.

Causes of Mergers

Before going into detail on the records of more than 100 Canadian consolidations, on which there is more or less full information, it is well to study the causes giving birth to consolidations in this country.

In the days before the war Canada was a young and growing country and had not yet arrived at the point where it had a voice in the council of the nations of the world. It was one of the British Dominions, albeit an important one for it was rich in materials needed by many other nations less fortunate.

Mass Production Era

The pre-war years represented a period of exploitation. The world needed the raw materials which Canada was producing and selling at attractive prices. Though the population at home was increasing rapidly, the domestic demand was wholly inadequate to absorb the possible output. Consequently Canada came to occupy a well-defined position among trading nations.

At this point entered the first phase of consolidation—consolidation with a view to lowering production costs for the purpose of increasing profits. This was accomplished through what became popularly known as mass production.

Big Business Enters

The war period brought in its wake rapid expansion of industrial productive facilities. Large scale operations became common and as a necessary element to mass production, big business came into its own.

The rapid growth of both domestic and export markets for Canadian products did not continue unchecked in the post-war period. Competition in world markets became strenuous inasmuch as a larger proportion of the export business was in the form of finished rather than semi-finished products. The limitation of foreign buying followed with increasing competition by manufacturers to secure a larger share of the domestic market.

Three Consolidation Types

Here entered the second phase of consolidation, namely, that designed to effect more economic distribution of products.

There are three distinctive types of combination. First there is the corporate consolidation which merges the identity of two or more companies. Secondly, trade associations: in this case the individual company does not lose its identity. The best example of this type of consolidation is the formation of large buying groups to give the small independent the same advantages as the chain stores in large purchases. Thirdly, there is the cartel (usually international) where a unified policy is agreed upon by the individual operators. This may take the form of apportioning sales areas, production or fixing prices. There are numerous examples of this type of consolidations, such as the cartel in lead, copper, European steel, Scandinavian pulp and paper, etc.

It is the intention in this series of articles to deal only with the corporate merger.

Why Mergers Occur

The causes leading up to a merger are many and varied. They are best described by Francis H. Sisson, of the Guaranty Trust Co. of New York, who believes that the economic forces behind the consolidation movement are irresistible; and the results already achieved are sufficient to demonstrate that the advantages of free competition, from the point of view of the people as a whole, are immeasurably outweighed by those of co-operation. Different branches of economic effort profit from unification in different ways and in different degrees; in some lines the urge is much stronger than in others. But, in one way or another, industry, commerce, transportation, communication, finance and even agriculture are following the universal trend.

In manufacturing, he continues, the chief considerations are in the handling of material, the use of machinery and departments, the

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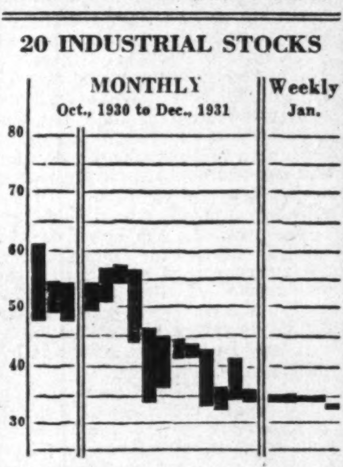
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Feb. 2	33.7	32.9
Week of Jan. 26	34.7	33.3
Month of Feb., 1931	58.9	49.4
8 Bank Stocks		
Week of Feb. 2	210	210
Week of Jan. 26	210	210
Month of Feb., 1931	249	244
10 Public Utilities		
Week of Feb. 2	55	55
Week of Jan. 26	56	55
Month of Feb., 1931	87	80

CORPORATE STEEL FAILS TO MEET ITS OBLIGATIONS

Western Steel Products Receivership Comes as Shock

From Our Own Correspondent

MONTREAL.—Creditors of Corporate Steel Products have been informed that the company is not in a position to meet its obligations owing to unusual capital expenditures and unexpected losses sustained during the year. National Trust Co. has been appointed receiver and manager for Western Steel Products, a subsidiary in which company there is considerable investment interest.

Disclosure of this situation came as a surprise. Dividends on the preferred shares of Western Steel Products were deferred in October but at that time directors gave no inkling to shareholders of the serious nature of the company's affairs.

Too Rapid Expansion

Just what causes led up to the present receivership will likely be disclosed in the financial statement, expected to be published shortly. Wide expansion of plant has been undertaken in the past two years, a factor which has possibly entailed a greater outlay of cash than has been justified by subsequent results. Bank loans at the end of 1930 were $1,234,885.

With National Trust Co. as receiver and manager Western Steel Products will continue to operate without interruption to any departments of its business. The trust company is also trustee for the Western Steel bond issues.

Investment Interest in Bonds

Funded debt comprises $1,090,778 6 per cent, series "A" and $1,000,000 series "B" 6 per cent first mortgage bonds. In addition there is outstanding $1,100,000 6½ per cent preferred; practically all of the 100,000 shares of common stock were exchanged for common shares of Corporate Steel Products when that company was formed in 1930.

The series "B" bonds were issued in 1930 to finance a major piece of plant expansion. This constituted the purchase of the business of George W. Reed and Co., Montreal, and the erection of a substantial new plant following the sale of the former factory.

Subsequent to this, a controlling interest was purchased by Corporate Steel Products in Ottawa Sheet Metal Works and a new subsidiary in Saint John was formed last year operating under the name of Atlantic Steel Products.

The last financial statement of Corporate Steel Products for the year ended December 31, 1930, showed earnings equal to $20.34 a share on the preferred stock of Western Steel Products while there remained a sum equal to $1.52 a share on the common stock of Corporate Steel Products.

B. A. OIL HAS EARNED WELL OVER DIV'ENDS

Mild Fall and Winter Helped Sales Volume Materially

IMPORTANT YEAR

Company Now Fully Integrated Company—Uses East Texas Crude Altogether

British American Oil concluded a successful year in 1931 with its common dividend well earned and a sufficient surplus to give greater encouragement to hopes of shareholders that disbursements will continue through 1932 as well. Although 1931 was a depression year and prices of gasoline and other products were lower than in previous years, B. A. Oil was enabled to maintain its relative position through important economies made by the completion, early in September, of a new and modern refinery at Montreal, and by starting two new lake tankers, "Britamoil" and "Britamolene," last May into the business of transporting Texas crude from Montreal to the storage tanks in Toronto.

The year 1931 is an important one in the history of British American Oil Co. because for the first time last year it became a fully integrated oil company. It now has crude oil production in East Texas and Oklahoma sufficient to look after its entire needs if pro-ration schedules were not in effect in these fields. From its East Texas wells alone it could supply requirements, it is understood, if it were allowed to take total output from its own wells. As things are it buys its requirements from the production of the entire field, which is all of uniform quality, and transports it through its own pipe line and another friendly pipe line 500 miles to Port Arthur, on the Gulf of Mexico, where leased oil tankers fill up and transport it to Montreal.

Stores Winter Raw Material

Through last season these oil tankers brought crude petroleum enough into Montreal to supply the requirements of Montreal and Toronto refineries for the entire winter season. The company has very large storage tank capacity in both cities. The new lake oil tankers proved efficient handlers, and reduced costs of transportation materially. The company's full crude requirements come from East Texas, its Oklahoma City production being sold in the United States.

The company's crude oil production, even curtailed as it has been, it is understood, is much more than enough to date, to look after interest and service on the $5,000,000 5 per cent debentures. In 1930 the company had $500,000 of earnings from these wells but these were not included in the regular statement. It was suggested that very large earnings would come from this source in 1931 if pro-ration were lifted. That has not happened but it is believed good profits have been made, nevertheless.

Mild Weather Helps

The Montreal refinery now refines all the gasoline and other products sold by the company in Quebec and Eastern Ontario.

British American Oil's earnings, in spite of the smaller margin of profit per gallon of gasoline, have also kept up because the unusually mild fall and winter have given oil companies much larger business than they ordinarily expect at this time of the year. Automobile owners have not put up their cars as so many do during a winter where there is a good deal of snow, and this over a large territory has given a good volume. The continuance of such weather through January is helpful, also, to 1932 results.

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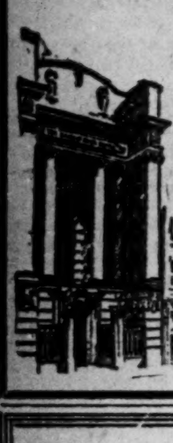

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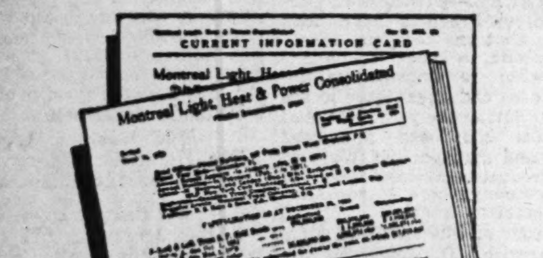

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OTTAWA ELECTRIC EARNINGS FOR 1931 WELL MAINTAINED

Cut in Expenses Offsets Decline in Gross Revenue

From Our Own Correspondent

MONTREAL.—Despite a drop of over 2,000,000 in the number of passengers carried and consequent decline in revenue, economies in operation enabled the Ottawa Electric Railway Co. to report a net operating income of $536,670 in 1931 as compared to $529,507 in the preceding year.

After writing off nearly 15 per cent of gross revenue for depreciation and providing for income tax, there was a return of $250,720 on capital investments last year. This compared with $254,472 in 1930. Funded debt charges were somewhat higher in 1931 and the balance carried forward to surplus amounted to $85,945, or slightly over $5,000 less than in 1930.

Details of Income

Particulars of the profit and loss income account for the past two years follows:

	$	$
Gross	1,644,935	1,764,165
Expenses	1,108,265	1,234,658
Net operating	536,670	529,507
Less: Deprec. & taxes	285,950	275,035
Return on capital	250,720	254,472
Less: Bond and other int., discount, etc.	167,302	163,351
Balance	83,418	91,121
Add: Other income	2,527	......
Brt. forward	334,911	243,590
Carried forward	420,856	334,911

Current Assets Higher

The balance sheet of Ottawa Electric Railway at December 31, 1931, showed total assets of $7,547,531, an increase compared with $7,270,590 at the end of 1930. Current assets totalled $529,376, or nearly double that reported in 1930. Current liabilities remained about the same at $159,964, so that the net working capital position of the company underwent a substantial improvement during the year. Fixed assets show an increase in value from $6,897,195 to $6,917,342.

On the liability side of the balance sheet, the funded debt of the company is shown at $2,761,600, compared to $2,814,700 a year ago. Further additions have been made to reserves which now aggregate $2,827,211. The earned surplus amounts to $420,856, covering the period from January 1, 1928, to December 31, 1931.

DOMINION STORES PROFITS ARE EQUAL TO THOSE OF 1930

(Continued from page 1)

ed an increase in dollar sales for 1931 over 1930 he did not think a single chain store system on the continent had shown such an increase in any month since September last. He expected January, February and March of 1932 also to fall below 1931 levels at the same period.

Turned Stock Over Monthly

Dominion Stores turned its stock over 12 times a year, inventories were taken at stock or market price, whichever was lower in order to play safe. The company insured everything that could be insured, including the lives of himself and other executives.

A possible further bonus to Dominion Stores shareholders was hinted at by Mr. Pentland in the following portion of his address, as quoted by "Hardware and Metal:"

"As far as prices and profits are concerned, we try to play fair with the public. All we make is 2 per cent on our sales. A short time ago we gave our subscribers an additional 30c. a share dividend and we had to give it in United States funds at that, but this extra 30c. did not mean that we earned it last year. Two or three years ago we raised some money from shareholders to purchase another chain company, but this deal did not go through and we had this money on hand. We had $1,500,000 out on call which we didn't need—you know we make the manufacturer finance us because we buy on a thirty day basis and sell our goods for cash and turn our stock over 12 times a year — so we get our money back before we pay our bills. But we do not want to be investors. I don't want Dominion Stores investing my money and that is the reason we gave the shareholders the 30c. We may give them more later."

Not Going Into West

It was not the company's intention to expand in Western Canada, at least not yet. He preferred to have some of the others go through the grief first—so that the money on hand was not required for that purpose.

Speaking of declines in prices, he referred to an advertisement the company ran recently showing declines to 40 per cent on certain goods in the last two years. Prices of groceries had come down, on the whole, at least 15 per cent, but 30 per cent of the business was being done in goods that had dropped over 40 per cent.

CANADA'S RECORD SHOWS OVER 200 BIG MERGERS

(Continued from page 1)

division and sub-division of labor, the vertical integration of successive processes, the making and marketing of by-products, the division of functions among different plants, and the expenditure of large sums of money on research.

Other advantages, which may be termed business advantages, are almost universal in their application. These include large-scale buying and selling, the distribution and stabilization of activity among different operating units, the more effective use of advertising and selling methods, the lower cost of capital, high-grade management, the regulation of output, and the elimination of the abuses that almost invariably arise under conditions of severe competition.

It may be that Mr. Sisson is too enthusiastic.

Still Other Causes

There are other causes leading up to a merger than those already mentioned. During the boom period of 1926-1929, when new capital was to be had without difficulty, the promoter reaped a harvest in taking options on properties, creating a merger and selling out to the investment banker, who was anxious to get new securities to sell to the public, more especially when they were backed by established companies. Ofttimes the bankers carried through the complete transaction—from the promotion to selling the securities.

Sometimes it is the banks who give the impetus to a merger. Where a bank has "frozen" loans of a company, such loans might be released through a consolidation with other companies, the resulting financing providing sufficient funds to take up the loans.

No Restrictions Here

Believers of a merger have had unrestrained scope to demonstrate the value of consolidation in Canada of consolidations. The United States has its Sherman Law and Clayton Act to prevent the establishment of "trusts." Both pieces of legislation have been a great deterrent to consolidations across the line. The promoter of a Canadian merger is not faced with by similar legislation. The only obstacle to avoid is the Combines Investigation Act. More than one company has run afoul of it, including Famous Players Canadian Corp. There is no law against combines in Canada unless they operate against the public interest. By and large the growth of consolidations in Canada has gone unchecked.

Corporate Merger Types

There are several classes of the corporate consolidation. One of the more common is known as the horizontal type, under which competition is eliminated or reduced to negligible proportions. In this category might be placed such corporations as Canada Cement, Bell Telephone Co. of Canada (as far as Ontario and Quebec are concerned), Amalgamated Electric Corp., Asbestos Corp., B. C. Packers, Catelli-Macaroni Products, Dominion Tar and Chemical, etc.

A second well-known type is called the "vertical" merger, or one which links the units engaged in the production of a commodity from raw material finished goods. It is interesting to note that Canada Cement might well be included in this classification, though it also has the characteristics of a horizontal merger. Of the vertical type, there are several in Canada, notably Gypsum, Lime and Alabastine (Canada), Canada Power and Paper, Fraser Cos., Consolidated Oka Sand and Gravel, etc.

Though these are the main types, there is also the "circular" type, which covers the acquisition of businesses whose types were allied to the parent company and whose results could be improved under consolidated operation. This latter type has not developed to any great extent in Canada, though we have examples in Enamel and Heating Products, Can. Consolidated Felt, Imperial Tobacco, Whittall Can., and others.

Tend to Cut Competition

In a broad way it might be said that mergers tend to restrict competition. Competition still exists in nearly every instance, however, but the consolidated enterprise is often the dominant organization in the industry. In communication there is the Bell Telephone Co. of Canada, in cotton textiles, the Dominion Textile Co., in cement, Canada Cement Co., in asbestos, Asbestos Corp., in explosives and chemicals, Canadian Industries Ltd., in creosoting, Dominion Tar and Chemical Co., in sales books and continuous business forms, Moore Corp., in tobacco, Imperial Tobacco Co., and in nickel, International Nickel Co.

In subsequent articles we shall deal more specifically with the record of many mergers in Canada. The next article will appear next week or in an early issue.

SIMPSON'S LTD. SALES ARE HIGH PROFITS DOWN

(Continued from page 1)

gage bond interest, $201,000 for preferred dividends of Robert Simpson Co., $638,751 for interest on 5½ and 6 per cent first mortgage and collateral trust bonds of Simpson's Ltd., $671,136 for dividends on Simpson's 6½ per cent cumulative preference stock and $240,000 for Simpson's Class "A" dividends. In 1931 only $120,000 was paid on the Class "A" stock and there was a saving of $120,000 to the company which was almost all lost through the increase of taxes by city, province and Dominion.

In addition, the company deducted from its net earnings $135,000 for bonuses and employees' savings and profit-sharing fund and $776,675 for depreciation reserve, items whose amounts cannot be accurately set forth until the financial statement is prepared. These payments in the year ended January 28, 1931, left a surplus of $433,640, raising the accumulated surplus to $945,054.

DOMINION TAR COVERS NEEDS IN PAST YEAR

(Continued from page 1)

the growing field of power transmission are apparent.

It is in creosoting, however, that Dominion Tar centres its greatest activity. In 1930 the company increased its holdings in Alberta Wood Preserving Co. to an extent where practically 100 per cent control of common stock has been obtained; a new plant was built at New Westminster. A similar organization, Calders (Canada), was acquired in 1930 giving Dominion Tar a substantial creosoting plant at Sioux Lookout. Another unit was built at Swift Current in the same year bringing the total number of creosoting plants owned to 13, located at suitable points throughout Canada.

While the company has thus consolidated its position as the largest factor in the creosoting industry in Canada, its progress in the chemical field is interesting. The first tangible evidence of Dominion Tar's entry into the manufacturing field of chemistry in a large way is the phenol unit completed last summer.

Plant is Satisfactory

The plant is running in a satisfactory manner and is living up to expectations. Some protection for production has been afforded through tariff enactments; output comprises the first to be accomplished in Canada on a commercial basis.

The market for phenol is broad though a substantial portion of production is sold to manufacturers of bakelite of which phenol forms an important basic constituent. Further expansion in the chemical field may be looked for in future years.

The Nation's Business

(Continued from Page One)

$38,000,000, and heavier charges must still be included in the 1931 balance. The total cost to Ottawa of the 1931 relief programme will be about $28,000,000 and of this only about four millions already have been paid.

* * *

IN EVERYDAY business, when sales drop away and income falls, the management cuts overhead, endeavors by the strictest economy to operate at a profit. For the past year the federal government has been precisely in this position. In his budget of last June, Mr. Bennett revealed a deficit for the fiscal year 1930-31 (for which he was in no sense responsible) of more than $80,000,000. Instead of taking immediate action to cut expenditures, balance the budget, he has allowed expenditures to continue. A further decrease in revenue has caused the deficit in the present year to reach an unprecedented total.

* * *

Reasonable Views on the Tariff

THE campaign of The Financial Post for national economy has brought forth a very wide-spread public response. Newspapers of all shades of political opinion, realizing that there is no partisanship in governmental efficiency, have either quoted and supported The Post's articles or carried on equally valuable collateral campaigns on their own account. Business leaders generally have been consistent in urging national cost-reduction as the nation's primary need.

Here and there, an interrupting, dissenting note has been sounded, sometimes sincere, sometimes purely political. It was not to be expected, however, that the Winnipeg Free Press should flare up and in a moment of pique call the whole campaign "camouflage," in "the best vein of comedy." The Financial Post, according to the Free Press knows that "Mr. Bennett became prime minister by guaranteeing to spend fabulous sums of money on public services." Have we forgotten that? demands the Winnipeg journal.

* * *

NO, The Post has not forgotten the campaign promises of the present prime minister. What is more, The Financial Post has not forgotten that during the last election campaign it published a very frank editorial under the heading "Bribing the Electors" in which the $400,000,000 of extravagances promised by Mr. Bennett were set down in black and white and the efforts of Mr. King to raise the ante were also detailed. The Post made it clear then that the election promises could be redeemed only by higher taxes and increased debt charges. Having foreseen the melancholy results of implementing election bribery (no matter which party had come to power) The Post does not need to have its memory refreshed as to the promises made.

* * *

ONE must not assume, of course, that the Free Press is attempting to present an argument for governmental extravagance. We know the Free Press too well to feel that it wanted to do that when it referred to The Post's "comic opera demands for cuts in public expenditures." There is something back of the Free Press's remarks. The tariff has made that paper bitter. "Mr. Bennett's policy of extreme protection make distress expenditures inevitable." A trade revival alone will save Canada. A trade revival can only be brought about by a radical change in tariff policy. The manacles of protection must be removed from the business of the country. This is really what the Free Press wanted to say. It is too bad it did not say it without indulging in the splenetic irony of weary disappointment.

* * *

WHAT is there about the policy of tariff protection that makes it so difficult for people to debate it constructively without impugning the motives of those holding opposing views? The late Sir Clifford Sifton, former owner of the Free Press, about whom the present editor of the Free Press has written an able biography, never found it difficult to propound reasoned views. He always refused to support a popular campaign to abolish the tariff. At the same time he strongly opposed exploitation under the tariff.

The policy of the Winnipeg Free Press on the tariff is well known. The policy of The Financial Post on the tariff has also been made clear on many an occasion. If The Post, in the words of the Free Press, "prefers not to complicate the simplicity of its economic campaign by bringing in the tariff" it is because we fail to see wherein the existence of the system of protection makes extravagance necessary on the part of our Dominion, provincial and municipal governments. But since the Free Press seems to want us to discuss the tariff we shall do so.

* * *

THE POST has always supported protection as necessary to raise the level of prosperity in Canada—not merely to enhance the wealth of any individual or company or group of them, but to increase the general prosperity that all share. A properly constituted tariff is an instrument for the promotion of balanced prosperity. Our present depression is not the result of our tariff policy and to claim that it is is to indicate sheer misunderstanding of what is going on in the world at large.

The problems that Canada has always faced in regard to the application of tariff policy are the very problems that Britain is facing at the moment. The London Times has just published a most striking series of articles on tariffs and it outlines the ideals of a "tariff for efficiency." Britain's problem, according to the Times, is "to find means by which manufactures and agriculture can be protected without increasing the costs of production and thus penalizing the export industries whose competitive efficiency must not only be maintained but promoted." Britain is interested in export trade to a relatively greater degree than Canada. But since (as the Bank of Nova Scotia points out in its current monthly letter) one-third of the income of Canadian people is derived from the sale of raw materials at prices governed by world conditions, and since (as can be demonstrated) fifteen per cent of our manufactured products must find their markets abroad, we too, in our tariff-making, must attempt to avoid protection that will unduly increase costs.

* * *

THERE is much that is reminiscent of heated Canadian debates in the Times' articles. Two chief dangers to be avoided are set down.

The first is the use of political influence by business interests for their own ends, leading to the prostitution of the tariff to log-rolling and vote-catching. The safeguard against that, in the opinion of The Times, is to seclude tariff-making as far as possible from politics, setting up a strong and impartial commission whose recommendation would be necessary before the introduction or change of any duty. This is exactly what The Post has long claimed and why it deplored the abandonment of the old Advisory Tariff Board before new machinery to make independent tariff studies had been devised.

The second and more insidious danger is that of fostering inefficiency, thus raising the costs of production, handicapping the export trades, and weakening, instead of strengthening, the economic position of the nation.

* * *

THE TIMES declares that Britain should be very clear "from the beginning that the object of tariff policy is not to prop up this or that industry or to favor this or that interest, but exclusively to promote the national welfare by raising the general level of prosperity, increasing production, and helping the export industries, whose goods pay for the necessary imports, to compete successfully in the markets of the world. Hard cases should be ruthlessly disregarded when consideration of them would mean a sacrifice of the general interest to the particular. It should be laid down that any industry receiving the shelter of a tariff assumes the definite obligation toward the State to demonstrate its efficiency by producing goods at prices which will not impose an unfair burden on consumers, and especially on the industries for which their products constitute the raw material. Failure within a reasonable time to fulfill that obligation should forfeit the right to tariff protection."

Again The Times says what The Post has always declared, A tariff should not necessarily make for higher prices at home. A primary purpose of protection is to give the producer his home market free from unrestricted competition. Given freedom from unfair competition, he should be able to step up his scale of production, improve his efficiency and reduce his costs to the degree commensurate with our standard of living or any similar one. Where this doctrine is violated by insidious combine, by inefficient methods, by reliance upon the tariff primarily there should never be any hesitation in removing all or part of the tariff.

* * *

ONE difficulty with tariff by order-in-council in a time when world-wide trade upset throws all normal standards of profit out of alignment and when governments are so pressed by a multitude of emergencies that national policies are difficult to formulate, is that both log-rolling and combination behind tariff walls tend to increase. It will be recalled that the prime minister has pledged himself not to permit consumer exploitation via the tariff and we have no doubt that he intends to apply his policy to tariffs invoked or increased by order-in-council as well as to those passed by Parliament. Mr. Bennett and his advisers will have to watch the present situation and to implement the prime minister's promise when there is evidence of misrepresentation in obtaining tariff changes or exploitation in taking advantage of them.

* * *

IT IS alleged by many economists with a world-wide outlook that excessively high tariffs are a primary cause of business depression. Of this, there can be no doubt but for Canada to slash its tariff and expose its own markets to the not very tender mercies of desperate market-hunters the world over, in the hope that its example would immediately be followed by all other countries, would be idiotically suicidal. But there is in process of development now, a movement that the world may well expect to be the first major step in dynamiting the super-tariff ice jam. This is the working out of intra-Imperial preferences. Canada will go to the Imperial Economic Conference prepared to make extensive concessions to make genuine Imperial tariff reduction feasible. The last Imperial Economic Conference did not achieve finality but it was notable for one thing; the insistence of Canada's prime minister that Imperial preferences must not be one-sided. Indubitably, Mr. Bennett's strong stand has had much to do with recent tariff events in Britain, which have gone a long way to making a policy of give and take possible in Empire tariffs.

* * *

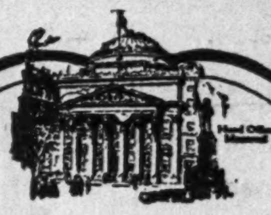
THE FINANCIAL POST has always supported preferential tariffs leading up to free trade within the Empire at some indeterminate date in the future.

The Empire's example will probably be followed by other groups of nations until by a series of treaties world tariffs have been brought down to more reasonable levels. It is only by co-operative action of this character that progress can be achieved.

This discussion may have ranged far from the points discussed by the Manitoba Free Press but The Post has taken this space to outline its policy because it feels that reasonable discussion of the question, without prejudice and without venom is highly desirable. There is too much impugning of motives in tariff talk.

Saint John Grain Handlings

The Saint John Harbor Commission announces that during the year 1931, 10,404,009 bushels of grain went through this port, being an increase of 1,010,440 bushels over the preceding year. Eighty vessels took grain cargoes.



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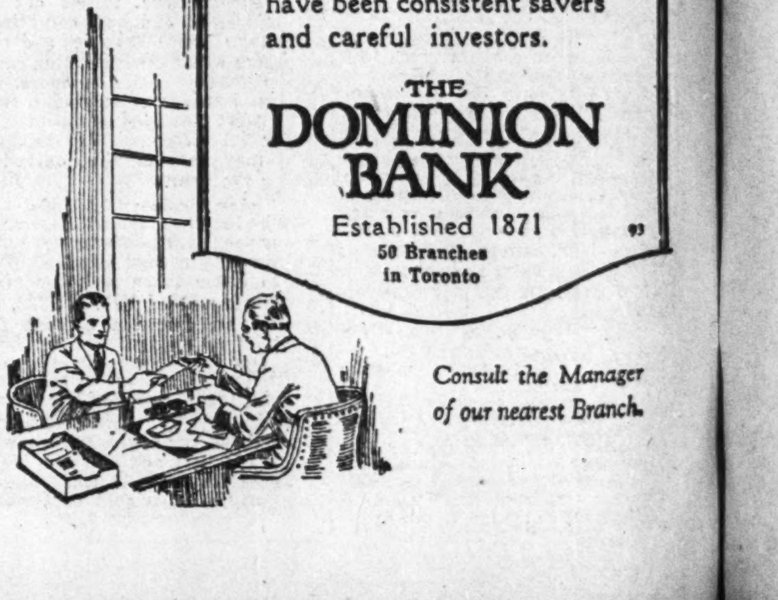

DAVID ET FRERE REGISTERS LOSS FOR PAST YEAR

Necessary to Appropriate Part of Surplus Cover Charges

From Our Own Correspondent

MONTREAL.—Financial statement of David & Frere Ltd. for 1931 makes an unsatisfactory comparison with that of the previous year. Operations were conducted at a loss of $13,156 before depreciation compared with a profit of $107,259 after depreciation and balance sheet position had been somewhat weakened.

To the net loss for the year was added reserve for depreciation of $30,145, shown separately for the first time, and dividends paid on the class "A" stock totalling $37,490. The total deficit therefore, before income tax, was $80,791.

It is pointed out by Mrs. René-T. Leclerc, president, that there has been a noted improvement in the last two months; volume of business has kept up and with recent price increases, and she expects the company will do better in 1932.

Comparison of Income

Following is a comparison of profit and loss accounts for the past two years:

	1931 $	1930 $
Oper. prof.	d13,156	103,127
Other inc.	......	4,182
Net prof.	d13,156	107,259
Deprec.	30,145	......
Balance	d43,302	107,259
Cl. A. divids.	37,490	51,750
Balance	d80,792	55,509
Inc. tax	8,419	9,593
Surplus	d89,211	46,016
Prev. bal.	160,212	114,196
P. & L. bal.	71,001	160,212

d—Deficit.

Balance Sheet Changes

There are several changes for the worse in the balance sheet. Working capital has dropped from $251,532, to $136,320. The former ratio of current assets to current liabilities, which stood at 20 to 1 at the end of 1930 was reduced to 4 to one at the end of 1931.

In assets, a change in investments is apparent. At the end of the previous year, "investments in Government and Municipal bonds" was carried at $80,173; at the end of last year "investments at market price" totalled $33,531. Accounts receivable, less reserve, are lower by $34,000 at $100,686, while cash on hand was higher by $1,000 at $2,848.

Add New Equipment

Inventories are lower by $3,000 at $44,936. Fixed assets, reflecting addition of new equipment, are higher by $50,000 at $873,596, while depreciation reserve has been increased by $23,000 to $136,996.

Bank loans of $30,000 made their first appearance in liabilities. Accounts payable are higher by $7,000 at $15,375 and surplus has been reduced from $160,212 to $75,001.

Officers of the company are now shown as follows: President, Mrs. René T. Leclerc; vice-president, Omer Gauthier; secretary-treasurer, L. R. Philie; directors, F. A. Béique, A. Cousineau, Geo. O. Soucie and Henri Merrill.

CONSUMERS GLASS ASSETS SHOW GAIN

Further Bond Redemption Takes Place Last Year

From Our Own Correspondent

MONTREAL. — Though Consumers Glass Co. does not make public its financial statement, figures available show that at August 31, 1931, the end of the last fiscal year, total assets had increased by $60,962 to $2,193,786. After deduction of depreciation reserve net fixed assets totalled $1,337,526 compared with $1,276,564 at August 31, 1930.

During the last fiscal year there were redeemed $29,500 of 5 per cent first mortgage bonds leaving $1,270,500 outstanding. Preferred stock at $500,000 and common of 24,257 shares of no par value remain unchanged In connection with bond interest it is interesting to note that payments are made in Canadian gold coin in principal Canadian cities and gold coin of Great Britain at the Canadian Bank of Commerce, London, at the fixed rate of $4.86 2/3 to the £.

Consumers Glass Co. operates a plant at Ville St. Pierre, near Montreal. Controlling interest, formerly held by Canada Cement Co. was sold to Frank P. Jones and associates in 1928.

Claim Against P. Lyall Dismissed by Court

From Our Own Correspondent

MONTREAL.—A claim of Arthur Dupre against P. Lyall and Sons Construction Co., in bankruptcy, seeking to be ranked as a preferred creditor has not been allowed, and his claim of $18,659 brought against George S. Currie as trustee of the estate has been dismissed.

Dupre sold stone to the company for use in construction of a dam for the Montreal Island Power Co. When the stone was delivered the company went into bankruptcy, and the claimant called the Montreal Island Power Co. into the case and asked that the stone be declared hypothecated in his favor and auctioned.

In refusing his claim the court declared that Dupre had not given the power company the legal notice required of sellers in order to protect their property. The action was dismissed but his right to rank as an ordinary creditor was reserved to him.

Maritime Fishermen Seek Ottawa's Aid

From Our Own Correspondent

MONTREAL. — United Maritime Fishermen have presented an appeal to the Government asking that a comprehensive and intensive effort be made to place the Canadian fishing industry on a profitable and businesslike basis. The government was asked to place research men in the field to study marketing and other phases of the industry, establish marketing agents in foreign countries to represent the organized fishermen and to carry on education work in production and selling.

Hon. E. N. Rhodes, Minister of Fisheries, in whose hand the petition was placed has the matter under advisement.

Fraser Named Secretary

From Our Own Correspondent

MONTREAL.—L. W. Fraser, director of Information for Nova Scotia, has been appointed secretary to the Royal Commission which will investigate the Nova Scotia coal industry.

Dominion Farm Loans Expensive to Treasury

Another Article in Series Showing Some of New Ways Governments in Canada Have to Spend Money

ITEM SIX (Continued): LOANS TO FARMERS

We have already outlined the farm lending schemes that have proven so expensive in Manitoba and Saskatchewan. A brief survey may be made of the schemes in operation elsewhere in the Dominion, all as part of the general purpose of this series of articles which are designed to explain some of the reasons for rising taxation in Canada.

ALBERTA RURAL CREDITS SOCIETIES

Alberta has gone in for loans to farmers on several different plans. The government has made numerous loans or guarantees for the extension of co-operative schemes, for seed grain and relief, for the encouragement of livestock raising, for irrigation and drainage, for hail insurance, and for wheat pool loans. Provincial guarantees of various farm liabilities as of March 31, 1931, stood at $16,500,000, while direct repayable advances and loans totalled an additional $7,500,000. In addition among intangible assets were carried about $1,500,000 of unrecoverable items, representing losses on various farm lending schemes, direct advances, etc. It would take many days of work by expert chartered accountants to estimate what it has cost and is likely in the end to cost Alberta for its numerous state contributions to farm credit and "relief."

There is space to go into details regarding only one of these, the one that has been Alberta's nearest approach to state banking. Alberta has a system of co-operative credit societies. These are organized and the capital stock is subscribed by local farmers. Loans are made by the banks and are guaranteed by the province and the local municipalities jointly. No long term mortgage loans are made but merely short term loans for the purchase of seed, livestock, machinery, etc.

To the end of 1930 some $7,400,000 had been loaned, of which a large part had been repaid. The net balance at that time was $1,750,000. While no losses had been incurred by the province, the position of the 42 societies in operation (at one time there were 43) was not thoroughly satisfactory and last year the scheme was reorganized. A central Alberta Rural Credit Corporation was organized and the societies were required to subscribe, along with the province, to its shares. A sinking fund to look after possible losses is being set up. Again, as in the case of other provincial schemes, it remains to be determined whether or not the scheme will involve the province in any substantial loss. But some clue as to the potential results can be obtained from information given to the legislature. A special audit showed that of the $1,573,215 of loans outstanding at May 31, 1930, over $1,100,000 was either "slow," "doubtful" or "uncollectible," over $200,000 being in the latter category. While the loans were to be short term, repayable within a few months, there were loans outstanding for five or more years. Societies had loaned money for the purchase of automobiles. Even if the promise were to recapture all the assets of the societies and add it to the accumulated sinking fund and were to free the municipalities of their share of the guarantees, there would still be a net loss on the "uncollectible" loans alone of over $125,000.

ONTARIO AGRICULTURAL DEVELOPMENT BOARD

Ontario has several farm loans schemes, of which only one has been sufficiently active to warrant attention. This is the Ontario Agricultural Development Board which, since 1922 has been making long-term loans to farmers. Recently it has stopped making loans having no available funds. To the end of 1930, 8,900 loans to a total amount of $35,200,000, has been made at six per cent of which $29,500,000 was still outstanding. Most of the money had been obtained through the Ontario government savings offices which pay bank interest on deposits. This was not all new credit found for the farmers. As the government entered the farm mortgage field in Ontario, the mortgage and insurance companies began to step out and so the Agricultural Development Board was able to report that the bulk of the increase of $2,000,000 in its loans last year was made up of the transfer of mortgages previously held by corporations and individuals.

The report of the board is a meagre document giving no comprehensive facts upon which an estimate of financial results could be based. There is, in fact, no single published financial account. This makes it impossible to attempt any discussion of what current profit or loss the scheme may be showing but as we have seen in the cases of the other provinces it is not the current operations that are of vital importance but the potential losses on bad loans. There is no way of knowing what is the recoverable value of the $29,500,000 of loans made by the board. Time will answer that question but in the meantime the board itself reports: "For the two payment dates during the past fiscal year over 50 per cent of the amount due was paid on time. The amount outstanding more than two years is less than ten per cent but extensions have been numerous for the 1929 and 1930 seasons." And recently the acting prime minister stated that he had instructed the boards not to foreclose under any circumstances when mortgagors are unable to meet their obligations.

DOMINION GOVERNMENT FARM LOANS BOARD

The Dominion government itself went into the farm loans business in January, 1929, as a result of recommendations made by a commissioner appointed to study rural credit in Canada. The plan provides for 23 or 32 years loans repayable on the amortization system, with interest at 6½ per cent. The loans are made through the provinces. Six of the nine provinces have come into the scheme. P. E. I. has stayed out; Saskatchewan and Ontario are apparently satisfied with their own provincial schemes. The Dominion government started the board off with $5,000,000 of capital. As this money was given free of interest for three years the Dominion has already contributed $250,000 a year interest to the board in its three years of operation. Additional capital is obtained by the purchase of common stock by the Dominion, the provinces and the borrowers themselves. The Dominion buys $50 of stock for each $1,000 loaned; each province $50 for each $1,000 loaned through its provincial board and the borrower $50 for each $1,000 he borrows. It is the intention that additional funds shall be obtained and the Dominion repaid its $5,000,000 by the direct sale to the public of Farm Loan bonds, but any bonds sold to date have been taken up by the Dominion government.

To March 31, 1931, loans to an amount of $7,600,000 had been approved. But after three years there is still no official information available as to results. It is known that the board has met rather heavy weather, despite its youth. Collections are slow and the foreclosures have been virtually suspended.

The financial record of a government body making loans running as high as 32 years can not be written for many years yet. The scheme may prove an unqualified financial success. On the other hand it may cost the taxpayers a very large sum of money. In passing, it might be noted that conservative Quebec has already arranged to bonus all borrowers to the extent of 1½ per cent per annum. Thus the farm borrower will obtain his loan at the same rate of interest paid by the board of its funds.

QUEBEC HAS NO PROVINCIAL SCHEME

In Quebec, until the province came into the Canadian farm loan board, there was no state farm credit. In the province though there have come in operation since the beginning of this century about 180 co-operative people's banks (known as "Caisses Populaires") which take in savings for deposits and make loans, not always to farmers. Deposits show three to 4½ per cent and loans are charged six per cent. There were 44,705 depositors and 13,500 borrowers in 1929. Savings deposits totalled $15,000,000.

But apparently Quebec is not satisfied with the Caisses Populaires and the bonused federal farm loans. It was reported the other day that the provincial government felt that the federal loans were too hard to get and a proposal was under discussion to set up a farm lending body similar to or allied to the "Caisses Populaires."

Prince Edward Island has never gone into any form of state lending to farmers. Nova Scotia and New Brunswick previously confined themselves to the lending of money or guarantee of loans of new settlers although recently both provinces have come into the federal farm loans scheme.

Most World Nations Have Canada Trade Pact

Changes Made in Trade Treaties With Seven Nations During 1931, Survey Shows

Many important changes took place during 1931 in Canada's trade treaties, including changes or revisions in her treaties with Australia, New Zealand, Isle of Man, Great Britain and Ireland, France and Brazil, according to data prepared for The Financial Post by the Foreign Tariffs Division of the Department of Trade and Commerce, Ottawa.

The following analysis shows briefly all trade treaties which Canada holds with other countries together with changes which have occurred during the past year.

The Canadian tariff comprises three schedules, namely (1) British preferential, (2) intermediate, and (3) general. Canada has also some other rates of duty in force resulting from trade agreements or conventions with particular countries.

(a) Canadian Preferences to British Countries—

Canada grants her British preferential schedule to nearly all parts of the British Empire. A few of the smaller colonies are the exceptions.

In addition to the benefit of the British preferential tariff, Canada accords to the British West Indies, Bermuda, British Guiana, and British Honduras, special preferences on selected products, and on unspecified goods a 50 per cent preference established in a separate trade agreement with these colonies.

Under the Canadian-Australian trade agreement, Canada accords Australia on a few articles rates lower than the British preferential.

Apart from the foregoing, Canada grants to the whole British Empire most-favored-nation treatment meaning now the benefit of her convention of commerce with France.

(b) British Preferences on Canadian Goods.

The parts of the British Empire which grant preferential rates of duty to Canadian goods as compared with similar goods of non-British origin are:

Great Britain and Northern Ireland: Preference on nearly all dutiable goods but a comparatively limited number of articles are dutiable under the ordinary tariff. Duties imposed under the authority of the Abnormal Importations (Customs Duties) Act, passed November 20, 1931, or under the Horticultural Products (Emergency Customs Duties) Act, 1931, do not apply to Empire products. There is no formal trade agreement.

Isle of Man: Preference on nearly all dutiable goods, but only a small number of articles are dutiable. Most goods originating in the United Kingdom enter duty-free.

Irish Free State: Preference on a considerable number of articles, but the dutiable list is limited. There is no formal trade agreement.

Australia—The Canadian-Australian Trade Agreement, in force as from August 3, 1931, provides for exchange of British preferential schedules except as regards goods enumerated in two lists, one of which sets forth special Canadian rates on some Australian products, while the other specifies the tariff treatment accorded by Australia to Canada on certain items, including a few on which no preference is granted.

New Zealand: The New Zealand tariff comprises a British preferential schedule and a general tariff schedule with intermediate rates to Canada on three items (motor vehicles, engines therefor, and rubber tires). Canada is granted also the British preferential rates on three items (gum boots, certain paper, and wire.) On all other items Canada is at present subject to the General tariff. Negotiations for a formal trade agreement are in progress.

Union of South Africa: The Union of South Africa grants to Canada a preferential rebate, i.e., her minimum tariff, on a selected list of tariff items. There is no formal trade agreement.

South African Colonies: The tariff of the Union of South Africa is in force in Basutoland, Bechuanaland, Swaziland, South-West Africa and Walvis Bay.

British West Indies, Bermuda, British Guiana, and British Honduras—Canadian goods in general entering these colonies are accorded a tariff preference as provided in a formal trade agreement. The one now in force was entered into in 1925. The guaranteed minimum preference in the larger colonies is a 50 per cent reduction from the general tariff, with greater preferences on certain articles. Some of the colonies give preferences of 25 per cent or 33 1/3 per cent. Bermuda remits a surtax of 25 per cent imposed on non-British goods.

Rhodesia, Cyprus, Fiji and Western Samoa: These colonies grant Canadian goods their regular British preferential schedules, (a minor exception in Southern Rhodesia) which means that there is a preference on nearly all goods from Canada as compared with non-Empire goods.

Brunei, British North Borneo, Sarawak, Mauritius, Gibraltar: These colonies have a limited number of British preferential rates in force (not the same in each colony), and these preferences are extended to Canadian goods.

(c) Canadian Treaties With Other Nations.

France—Canada entered into a convention of commerce with France (see footnote) effective from September 5, 1923, the concessions obtained, briefly stated, being: (a) French minimum rates of duty on a specified list of goods including most-favored nation treatment except for stipulations in regard to possible economic agreements with border states or tariff benefits which France might grant to facilitate financial settlements with former enemy countries, i.e., during 1914-1918; (b) certain percentage reductions from the French general tariff on another list of goods, or, if lower, the rates of duty which France applies to United States products of a similar kind; (c) on all other goods the French general tariff without the increase made by decree of March 28, 1921, so long as United States products are exempted from that advance in duties. The reciprocal tariff reductions which Canada makes in favor of France are: (a) the intermediate tariff or most-favored-nation treatment; (b) on a specified list of goods fixed rates usually between the British preferential and the intermediate tariffs; (c) on certain goods rates lower than the intermediate tariff by 10 or 15 per cent of the duty.

French colonies, possessions and protectorates are included in the convention. Those colonies, etc., which have not the same tariff as France are to give Canada the rates granted to the most-favored foreign nation. Minimum tariff treatment is stipulated for Canadian food products in St. Pierre, Miquelon, French West Indies, and French Guiana.

Italy, Belgium, Netherlands and Czechoslovakia — Conventions of commerce were arranged by Canada with Italy (1923), Belgium and Luxembourg (1924), the Netherlands (1924), and Czechoslovakia, (1928). These trade agreements, all in force, are on the principle of exchange of most-favored-nation treatment in tariff matters. In the case of Italy and Belgium, the colonies are included and the Netherlands convention extends to the Netherlands Indies, Surinam and Curacao.

Canadian Acts Respecting British Treaties With Various Countries—By means of the **Japanese Treaty Act of 1913**, Canada sanctioned, with certain provisos, the Treaty of Commerce and Navigation of 1911 between the United Kingdom and Japan, as a result of which Canada and Japan now exchange most-favored-nation tariff treatment of each other's goods.

By accepting certain terms of the **Anglo-Finnish Treaty of 1923**, Canada established most-favored-nation relationship in tariff matters on a reciprocal basis with Finland, with certain exceptions in regard to possible Finnish preferences to imports from Esthonia, Latvia and Lithuania.

A Canadian Act was passed in 1928, sanctioning a treaty of Commerce and Navigation between the United Kingdom and Spain, signed October 21, 1922, as revised by a convention signed April 5, 1927, as well as the Anglo-Spanish Agreement signed on June 27, 1924, regulating treatment of companies. The Spanish Treaty Act in question established between Canada and Spain an exchange of most-favored-nation treatment of each other's goods in respect of customs duties with special reservation in regard to Spanish treatment of the produce or manufactures of Portugal or the Spanish Zone of Morocco.

The Canadian Trade Agreement Act of 1928, accepted on the part of Canada certain provisions of most-favored-nation treaties or agreements existing between the United Kingdom and the following countries: Esthonia, (January 18, 1926); Hungary, (July 23, 1926); Latvia, (June 22, 1923); Lithuania, (May 6, 1922);

(Continued on page 9)

Note Re French Treaty—The Canadian government, on December 16, 1931, gave notice to the French government of the termination of this convention. It will therefore cease to have effect after June 16, 1932. The Canadian government has expressed its willingness to enter immediately upon negotiations for a new convention beneficial to the commerce of both countries.

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Utilities and Transportation

DEEP WATERWAYS PROJECT OPPOSED AT PRESENT TIME

Dawes Tells Views to Montreal Board of Trade

NOT NECESSARY NOW

Claims Present Canal System Utilized Only to 65 Per Cent of Capacity

From Our Own Correspondent

MONTREAL. — Opposition to Canada's participation with the United States in the St. Lawrence Waterways plan at the present time was set forth by Norman J. Dawes, retiring president of the Montreal Board of Trade, at the annual meeting of the board. The project, he said, would add to the Dominion's public debt and citing the case of the railroads today as an example of the over-optimistic vision of the past generation, he felt that the best interests of all concerned would be served by the deferment of the waterways project for some considerable time.

The development of the resources north of the St. Lawrence, he found, would be considerably less expensive and more logical. If the United States needs power let Canada assist in every reasonable way in making it possible for the United States to develop for power purposes that international portion of the St. Lawrence in which she has an interest without jeopardizing the Dominion's national rights or incurring expenditures which are not presently necessary as far as Canada is concerned.

Costs Are Reviewed

Touching on probable costs of a joint development he cited the Jameson-Holgate report which estimated the cost of canalization at $350,000,000 and of the power development at $500,000,000 and added that actual cost was likely to be two or three times the original estimate. Further, there was the effect on Canada's railways to be considered and Mr. Dawes explained that any expenditures which would increase competition for the railways and add to their already heavy burden should not be undertaken at this time.

Evidence was presented to show that the existing St. Lawrence canals were by no means overtaxed by the amount of traffic handled, the present system being utilized to only 65 per cent of its capacity. In answer to the claim that the deepening of the St. Lawrence waterway to 27 feet would permit ocean-going vessels to reach the upper lakes and the larger lake vessels to descend to Montreal, effecting a saving of 3 to 3½ cents a bushel, Mr. Dawes quoted from the report of the Institute of Economics of the Brookings Institution.

Abstracts From Report

The Moulton report published by the Institue showed that a 27 foot channel would accommodate:

1. Practically none of the combination passenger and cargo vessels now engaged in the overseas trade of the United States:
2. Only 13 per cent of the tonnage now operating on regular schedules out of Montreal;
3. About 40 per cent of the tonnage of grain tramps out of Montreal;
4. About 38 per cent of the tonnage of all cargo boats, including tramps, at present engaged in the overseas trade of the United States, but including only 15 per cent of the vessels having a speed as great as 12 knots;
5. None of the tankers and only 19 per cent of the cargo vessels engaged in trade between Atlantic and Pacific coast ports.

In brief, a 27-foot channel limited to vessels drawing less than 24 feet six inches would, broadly speaking, accommodate only boats of the type now engaged in the local coastal trades and the smaller steamers, mainly the war-built U. S. Shipping Board boats and tramps. Moreover, as we shall presently see, the trend in ocean shipping is steadily toward larger and deeper draft vessels.

A very large proportion of ships recently built in the United Kingdom are of the larger and faster type, requiring a depth of channel over 27 feet.

Not Selfish Viewpoint

His opposition was not that induced by a selfish Montrealer's view, Mr. Dawes said. Canada, he pointed out, has spent hundreds of millions on its existing waterways and their upkeep and operating expenses are very high. Is it good business, he asked, to allow all vessels using this system to do so free of charge especially when the Panama Canal, the Suez, and the Manchester Ship Canal are making considerable charges for the use of their systems.

In conclusion he referred to a resolution adopted by the Montreal Board in 1930 favoring the ultimate enlargement but deprecating the undertaking of any substantial part of the work at the present time.

Traffic League States Views

At the annual meeting of the Canadian Industrial Traffic League held in Montreal further opposition to the development of the St. Lawrence as a deep water navigation enterprise was recorded. The premise was based on the grounds that the present canals are by no means used to their fullest extent, that by a small expenditure the present system could be greatly enlarged and that the Dominion is not now in a position to undertake the enormous burden which would be placed in its finances.

Railway Earnings

Canadian Pacific Railway

	1931	1930	Decr.
Dec.:	$	$	$
Gr. earn.	11,442,436	14,413,987	2,971,551
Exps. ...	7,765,829	10,210,274	2,444,445
Net earn.	3,676,607	4,203,713	527,105
12 Mos. end. Dec. 31:			
Gr. earn.	144,418,675	182,561,799	38,143,124
Net earn.	27,763,899	38,687,673	10,923,774

Public Utility Earnings

Jamaica Public Service

	1931	1930	Decr.
December:	$	$	$
Gross earn.	77,849	80,552	2,703
Net earn.	34,964	37,870	2,906
Surp. after chgs.	25,593	28,478	2,885
12 Mos. end. Dec. 31:			
Gross earn. ...	829,598	833,853	4,255
Net earn.	336,273	339,300	3,027
Surp. after chgs.	227,338	243,443	16,105

Canadian Pacific Rail Net Revenue Down 28%

Covering of All Charges Will Depend on Amount Credited to Special Income Account

From Our Own Correspondent

MONTREAL. — Net operating revenue of the Canadian Pacific Railway for the full twelve months of 1931 was 28.24 per cent below that reported for the preceding year. According to official returns, the company had net earnings in 1931 of $27,763,899, as against $38,687,673 in 1930.

Gross operating revenues last year amounted to $144,418,675. This is the lowest figure recorded in many years and compares with $182,561,799 in 1930, a reduction of 20.89 per cent. Working expenses were out from $143,874,126 in 1930 to $116,654,776 in 1931, a decline of 18.92 per cent.

Special Income Important

No information has been given out in respect to special income, a figure which bulks largely in the net returns of the company. In 1930 the company had a revenue from this source of $20,042,923. This was an increase of nearly $5,000,000 over the previous year and was made possible due to the appropriation of several million dollars from a special reserve fund of the old Allan Steamship Line.

It is doubtful if the company will be able to report such a large special income for 1931 without recourse to special reserves. Operations of hotels, steamships, telegraphs, and news departments, have not been on a very favorable basis, while interest and dividends on investments are likely to be less.

Cut Down Charges

Fixed charges in 1930 called for an outlay of $19,159,865. Such charges were larger in 1931, so that the amount of railway operating revenue available for dividends in 1930 is not likely to be much over $7,000,000. Dividends on the preferred stock and ordinary charges, which were less, and contribution of $750,000 to pension fund, are likely to aggregate nearly $25,000,000, so that in order to cover all charges, something like $18,000,000 will have to come from special income.

'PEG ELECTRIC CAR MEN TAKE MODIFIED CUT

Reduction in Wages of 6¼ Per Cent Accepted

From Our Own Correspondent

MONTREAL.—Car men of Winnipeg Electric Co. will not strike. They have accepted a compromise proposal put forward by the company which will lead to a reduction of 6¼ per cent in wages compared with the original intention to cut wages by 10 per cent.

The settlement clears up a difficult situation which has been hanging over Winnipeg Electric Co. for more than a month. Car men strenuously objected to a proposed wage cut of 10 per cent and had threatened to walk out if it were placed in effect.

Lower Operating Cost

The reduction in wage outlay should have a favorable bearing on earnings of the tramway utility of the company. This division has been operating at a loss for the past year and has been responsible in part for the declines shown by the company in its monthly earnings statements.

For the 11 months ended November 30, 1931, net earnings of Winnipeg Electric Co. were down 7.50 per cent at $1,580,455. The dividend on the company's preferred stock was passed in December and interest on its 5 per cent refunding mortgage bonds, due January 2, 1932, was paid in Canadian funds. The reason given for this was that interest is called for in Canadian gold coin and since gold is not exportable payment was made in Canadian funds, as opposed to New York funds.

TOTAL BUSINESS OF MONARCH LIFE NOW $61,148,000

Difficult Year in West is Reflected in 1931 Statement

New and revived insurance during 1931 of $9,694,000 as compared with $12,144,000 a year ago is reported by Monarch Life Assurance Co. of Winnipeg in its 26th annual report. Total business in force at the end of the year is $61,148,000 as compared with $63,900,000 at the end of 1930.

Income is higher for the year, the company having received $1,630,000 by way of net premium income and $472,000 from interest, rents, etc., both items being higher than a year ago.

Total assets are shown at $10,373,408 as against $10,070,000 in 1930. Mortgages comprise over half this total at $5,695,000. Interest due and accrued on mortgages now amounts to $604,000 as compared with $429,000 in 1930. In this connection the company's annual report makes the following comment:

"Owing to poor crops and low prices there has been a substantial increase in unpaid interest on farm mortgages. That the company's policy of careful and conservative valuation of properties on which mortgage loans have been made has been amply justified, is evidenced by the fact that only $96,064 of the company's assets is represented by real estate. Special care has been taken in the selection of farm mortgage properties to make sure that every loan has behind it a well-established permanent home, and we note with gratification that despite the difficult conditions surrounding the agricultural industry, there has been no abandonment of such properties."

Bonds and Policy Loans

Other assets include bonds and debentures taken in at $1,293,700 which it is stated represents the valuations of the dominion insurance department. Depreciation from book values of $88,592 has been provided for out of the year's profits it is stated. Loans on the company's policies are also higher at $1,919,600 as compared with $1,600,000 a year ago while premiums outstanding and deferred are slightly higher at $682,900.

The company has substantially increased its investment reserve to $129,000 as compared with $44,000

Comparative figures for leading items are as follows:

	1931	1930
Business	$	$
New & revived ins. ..	9,694,389	12,143,916
Bus. in force	61,148,205	63,900,511
Income		
Net premiums	1,630,152	1,618,873
Interest, etc.	472,257	458,937
Assets, Etc.		
Bonds & debs.	1,293,712	1,255,042
Mortgages	6,695,235	5,973,038
Policy loans	1,919,605	1,601,574
Prems. out & def. ..	682,911	661,164
Int. due & accrued ..	604,505	428,809
Invest. res.	128,921	44,000
Surplus	446,214	390,062

C. P. R. Has Decline In Special Income

From Our Own Correspondent

MONTREAL.—Special income of the Canadian Pacific Railway Co. in the first 11 months of 1931 fell off by $10,250,035 compared with the same period in 1930, according to a statement made by George Hodge, manager of the department of personell, in supporting the company's claim before the board of conciliation that clerks, freight handlers, and station employees should accept a 10 per cent cut in wages.

Special income in 1930 totalled $20,042,923. This was an increase of $4,810,703 over 1929 the increase being largely due to the apportionment of undistributed reserves. The gain in special income in that year offset the drop in net earnings and enabled the company to cover its dividend distribution.

NORTH AMERICAN ACHIEVES RECORD IN 1931 BUSINESS

Paid For Business Including Revivals Increases By 17.5 Per Cent

Insurance paid for (including revivals and increases) during 1931 by the North American Life shows an increase of 17.54 per cent over 1930 and totalled $27,609,000 according to figures submitted at the annual meeting of North American Life Assurance Co. last week. Preliminary figures issued last month showed the company issued a total of $29,747,000 of business during the year an increase of 10.77 per cent over a year ago. New group business isssued during the year amounted to $1,003,757 as compared with $1,018,050 in 1930. Total group business now in force amounts to $2,720,500.

Changes in the company's balance sheet include a substantial increase in holdings of government and government guaranteed bonds which now comprise the company's largest individual asset. Other bonds and preferred stocks held are lower at $10,397,000 while mortgages are $1,700,000 higher at $12,700,000.

Set up Reserve

A new item appears this year in the company's balance sheet namely "Investment Reserve" at $905,000 this item having been set up from surplus which is lower by approximately $1,000,000 at $7,007,959. The company's average rate of interest earned was 5.92 per cent as compared with 6.14 per cent last year.

Comment is made in the company's annual report on the fact that since the North American Life is now a purely mutual company dividend allocations to policyholders will be made from the entire surplus arising from non-participating branch along with that accruing from participating policies. Mention is also made of the company's new head office building which will be seven stories in height and which when completed will be utilized entirely for the operations of the company.

Comparative Figures

Comparative figures for leading items from the company's balance sheets of the past two years are as follows:

	1931	1930
Business	$	$
New ins. issued & revived	29,747,293	26,856,811
Business in force..	197,898,571	192,535,106
Income		
Net prem. income .	6,573,901	6,433,801
Int. rents, etc.	2,498,946	2,461,393
Funds left with co.	331,161	168,495
Assets, Etc.		
Govt. bonds	13,167,786	11,826,195
Other bonds & stks.	10,397,250	13,073,664
Mortgages	12,700,065	11,056,552
Policy loans	7,768,927	6,743,722
Net ledger assets .	45,173,883	43,666,189
Invest. reserve	905,000	
Surplus*	7,007,959	8,007,552

*Including amounts absolutely and contingently apportioned.

ORDINARY BUSINESS NOW $267,000,000

The London Life Statement Shows Further Details of 1931 Report

Additional information made available from the complete financial statement and annual report of London Life Insurance Company shows ordinary business issued during 1931 of $39,000,000 as compared with $48,000,000 the previous year. In the industrial field the company issued $52,345,000 of business as against $53,659,000 a year ago, while group insurance issued amounted to $3,742,000 as compared with $5,491,000 during 1930.

Total business in force which amounts at the end of the year to $461,207,000 is divided as follows: Ordinary business, $267,000,000; industrial, $156,584,000, and group insurance, $37,623,000.

Analysis of assets which at the end of 1931 totalled $72,221,000 shows the bulk in first mortgages which after deduction of mortgages assumed are shown at $45,253,000 as compared with $40,586,000 a year ago. Bonds and debentures held by the company show little change from a year ago, at $13,920,000, while loans to policyholders are higher at $7,918,000. Stocks held by the company are valued at $1,073,000.

Valuation Basis

The following comments as to the company's assets appears on the annual statement:

"A valuation of the company's securities was made at the exceptionally low values prevailing at the end of the year, and sufficient investment reserves are provided in this statement to take care of all excess book values over market values."

Comparative figures of leading items for the last two years are as follows:

	1931	1930
Business Issued	$	$
Ordinary (net) ...	39,014,585	48,039,583
Industrial	52,345,426	53,658,764
Group (net)	3,741,899	5,490,677
Total	95,101,910	107,189,024
Business in Force		
Ordinary (net)	266,999,512	255,507,574
Industrial	156,584,274	147,489,632
Group (net)	37,623,632	36,703,394
Total	461,207,418	439,700,600
Assets		
First mtge. (less mtges. assumed).	45,252,961	40,585,888
Bonds & debs.	13,919,929	13,998,501
Policy loans	7,917,764	6,258,106
Stocks	1,073,379	904,719

Power Corp. Output Gains in December

From Our Own Correspondent

MONTREAL.—Power Corp. of Canada group of utilities reported a kilowatt hour output in December, 1931, of 173,026,903. This compared with 164,099,986 in the preceding month and with 156,906,325 in December, 1930. The latter month's figure does not include the returns of Northwestern Power, whose plant was not in operation at that time.

Returns for last month, in comparison with December, 1930, show increased outputs for Southern Canada Power, Canada Northern Power, Winnipeg Electric and Manitoba Power and decreases for East Kootenay, B. C. Power, Northern B. C. Power. Comparative figures follow:

	K.w.h.	
South. Canada	15,410,910	19,267,067
Can. Northern	37,351,500	33,513,680
East Kootenay	5,692,600	6,862,800
B. C. Power	47,954,891	49,285,973
Northern B. C.	773,102	796,005
Wpg. Electric	17,332,900	16,877,800
Man. Power	38,581,000	36,303,000
N.W. Power	9,930,000	......
Total	173,026,903	156,906,325

Not Since 1921—

have the yields obtainable from Canadian government and high grade municipal bonds afforded such an attractive investment opportunity as those available to-day. Our February Review and Bond List offers many such securities at prices to yield from 5.50% to 6.50%.

Copy of this List will be gladly furnished on request.

"There is no better investment than Canadian Government and high-grade Municipal bonds".

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg
Vancouver New York London, Eng.

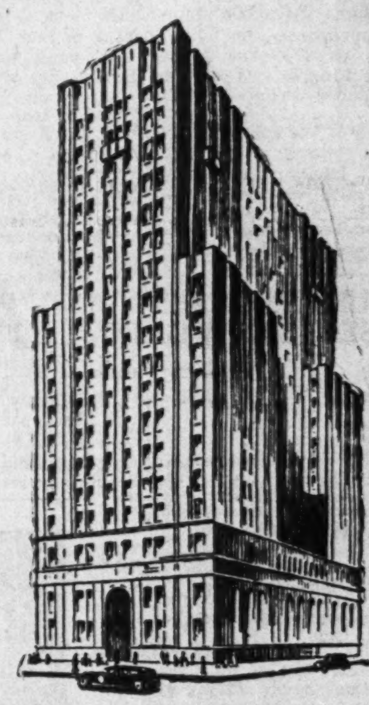
HAMILTON BRIDGE COMPANY
LIMITED
Designers, Fabricators and Erectors
of every class of
Structural Steel Work
Head Office and Works:
HAMILTON - CANADA

Elected President of Chambre

Lieut.-Col. L. J. Tarte, prominent French-Canadian financier and former publisher of La Patrie, was elected president of the Chambre de Commerce de Montreal at a recent meeting which was featured by the appointment of new executive officers of the Chambre for 1932-33 by acclamation.

The Most Widely Quoted
Editorial Column in Canada
"The Nation's Business"
First Column on Page One

A Record
that Inspires
Confidence



77 Years of Progress

CANADA PERMANENT
Mortgage Corporation

Paid-up Capital—$7,000,000.00 Reserve Fund—$8,000,000.00

A Progressive Record

The following comparative figures are compiled to Dec. 31, 1931

YEAR	1920	1925	1930	1931
Paid-up Capital and Surplus	$12,154,770	$14,594,804	$15,466,707	$15,540,636
Debentures Payable in Canada	4,553,765	10,014,052	26,263,911	29,383,593
Deposits	6,129,483	8,575,232	14,750,285	15,406,461
Cash and other liquid assets	2,839.816	6,759,215	7,224,253	9,246,973
Total Investments	33,065,554	48,281,493	69,321,288	73,260,893

During the past eleven years, through periods of favorable and adverse business conditions, the progress of the Corporation has been upward. Debentures payable in Canada have increased approximately six and a half times, the increase being $24,829,828. Deposits have grown by $9,276,978, over 150%. Cash and other liquid assets have increased over three times, or by $6,407,157 and total investments have expanded by $40,195,339, over 120%.

THE
CANADA PERMANENT
Trust Company

Paid-up Capital—$1,000,000 Reserve Fund—$400,000
Unappropriated Profits—$48,663.22 Total Assets—$29,995,116.74

Assets under administration of The Canada Permanent Trust Company increased during 1931 from $25,482,070.46 to $29,995,116.74, setting a new high record. The Reserve Fund of $400,000 is 40% of paid-up capital.

Combined Assets of both Institutions
$103,256,010.23

Head Office: Canada Permanent Building, Toronto

Copy of Annual Report and Proceedings of Annual Meeting on Request.

CONFIDENCE IN CANADA'S FUTURE

CANADA PERMANENT MORTGAGE CORPORATION HOLDS SEVENTY-SEVENTH ANNUAL MEETING

Addresses Dwell on Soundness of Canadian Economic Structure—Need for Tax-Spending Economy—Prospect of Beneficial Results From Empire Trade Conference — Corporation's Statement Compares Favorably With Previous Year

ASSETS NEARLY $4,000,000 HIGHER

Mortgage Investments Wisely Diversified, With Large Decrease in Prairie Provinces

DIVIDEND MAINTAINED—BALANCE FORWARD INCREASED

At the Annual Meeting of the Canada Permanent Mortgage Corporation, held at the Head Office, Toronto, on Friday, January 29, both the President, Mr. W. G. Gooderham, and the First Vice-President and General Manager. Mr. George H. Smith, pointed to encouraging evidences in Canada's economic, industrial and agricultural structure, and referred in detail to the very satisfactory position of the Corporation.

President W. G. Gooderham.

Mr. W. G. Gooderham, President, said:

The past year, with its accumulating and accentuated stress and strain, its international crises and various economic problems, at which there have been numerous paradoxical and ineffective attempts at a solution, accompanied by an almost complete disappearance of confidence, at times bordering upon panic, severely tested the financial institutions of the world, many of which either succumbed to a pressure they were not strong enough to resist, or were badly shaken. This was particularly the case with the Banks of Central Europe and of the United States. That under such trying circumstances not one Canadian financial institution was similarly affected is an evidence of the strength of our Canadian Banks, and of our Mortgage, Trust and Insurance Companies, and bears eloquent testimony to the solid foundations upon which they are based and the conservative policies and principles by which they are directed, as well as to the soundness of our Canadian economic structure and the resources of our Dominion.

Dividend Maintained

I am confident that you fully share the satisfaction I personally feel in the fact that we have been able to present a Statement which, while reflecting the difficulties of the year in reduced profits, has permitted the maintenance of our twelve per cent. dividend, and in addition a material increase in the large balance at the credit of Profit and Loss.

Canadian Institutions Different

While there are basic reasons existing in our own Country to account for much of the recession in business with which we have had to contend, many of our difficulties have been due to the manner in which confidence has been honeycombed and undermined to an extent for which, as far as Canada is concerned, there is no justification. Conditions in European countries which are struggling under financial burdens too heavy to be borne, and in the United States, which has been finding that it cannot maintain its foreign trade by reason of uneconomic policies, nor conduct its domestic business operations on a profitable basis when the credit institutions of the Country have to a large extent been unable to properly function, have stampeded too many of our own people who do not fully realize that fundamentally our Canadian financial institutions are vastly different, and do not appreciate the solidity of the foundations upon which the future of our varied industries rests.

Retrenchment Advised

It is only too true that our own situation is intensely complicated by international problems. While this is the case, we can in the meantime devote ourselves to the solution of our own problems, and in so doing greatly hasten the return of the period of greater business activity for which we look. One of the most important tasks to which our energies must be directed is to bring to an end the era of extravagance and by retrenchment in expenditure to balance our budgets. In private business this has largely been effected through a severe pruning process, but public expenditures have continued to expand year by year, with reducing income and a resultant increase in public debt and in taxation to be borne by individuals and companies which are being crippled thereby. I am glad to observe that there has recently been a growing recognition of the necessity that this evil be remedied by the exercise of the old-fashioned virtue of economy, and I trust that there may be developed such a strong public opinion as will ensure the necessary curtailment of Governmental and Municipal expenditures, and at an early date afford the long-suffering taxpayers a measure of relief.

Intra-Empire Trade

Without being unduly sanguine, I venture to hope for beneficial results from the Imperial Economic Conference to be held in Ottawa in the near future. The very extraordinary change in public sentiment which has taken place in Britain has brought about a reversal of policy and a recognition of the fact that, while a market open to the products of all nations may have been very well for the greatest creditor nation of the world, now that it has become a debtor nation its only possible effect must be to strangle its trade. The Mother Country has now placed itself in a position to negotiate, and we believe its statesmen, economists and captains of industry and finance are at last coming to a realization of the very great possibilities of an exchange of goods between the various parts of the Empire, which must be of great advantage to Great Britain as well as to all the Dominions. Intra-Empire trade on any such scale as we feel certain may reasonably be anticipated, if the negotiations at the Conference be conducted in a business-like way, free from an undue spirit of self-seeking, cannot but be of immense advantage to this Country, which has so many of the raw materials necessary to the industrial and commercial life of other parts of the Empire, and which, by reason of various other natural advantages, it is producing and is in a position to produce in much greater quantity on a very favorable cost basis.

Tribute Is Paid

In April last the Members of the Board and executive officials suffered a deep personal bereavement in the death of the First Vice-President, Mr. E. R. C. Clarkson, who had been one of their number since November, 1912. Mr. Clarkson's long and diversified experience and sound judgment were greatly valued by us all, and he will long be missed. The Second Vice-President and General Manager, Mr. George H. Smith, was appointed First Vice-President, and Colonel A. E. Gooderham, who has been a Member of the Board for twenty-two years, succeeded Mr. Smith as Second Vice-President. The vacancy on the Board was filled by the appointment of Mr. F. S. Corrigan, whose extensive business relationships and experience make him a valued colleague.

Healthy Growth

Your Trust Company continues to exhibit healthy growth. The assets under its administration further increased in 1931 by more than Four and One-half Million Dollars, and now amount to the very respectable sum of $29,995,116. We have testimony to the fact that much of its increase in business is directly attributable to an appreciation of the service it has been able to render to clients and the satisfactory manner in which their affairs have been administered and their interests protected. Its nation-wide organization is of the greatest possible value, enabling it to give an expert local attention to assets in every part of the Dominion. The total assets of the two Companies which your Directors and Officers are managing in your interests now exceed $103,000,000, as compared with about $43,000,000 at the close of 1921, an increase of more than $60,000,000 in ten years.

I have refrained from comment upon the Statement, the details of which will be discussed by the General Manager, and shall only preface any observations he may make thereon by assuring you that it is a sound and thoroughly dependable Balance Sheet with which I have the greatest satisfaction in being associated.

First Vice-President and General Manager George H. Smith.

Mr. George H. Smith, Vice-President and General Manager, addressed the meeting as follows:

When we met you a year ago we were able to report that we had completed, with a satisfactory measure of success, a year of very considerable business difficulty.

The conditions which prevailed during 1931 are too well known, and have been so plenteously commented upon, that it is doubtful if anything can be profitably added to the discussion thereof.

A year ago we hoped, with some confidence, for at least a partial amelioration of the difficulties and doubts with which business was then beset. As the year advanced, however, these became from various causes rather intensified than otherwise.

The Agricultural Situation

Canadian agriculture experienced one of its most trying years. While there were very satisfactory yields in large sections of the West, the total wheat production was materially reduced. Southern and Central Saskatchewan experienced for the third year a drought which resulted in practically a total crop failure. This is usually the most productive area in Saskatchewan which previous to 1929 had never failed to contribute largely to the aggregate yield and in which are large numbers of the best farms and most successful farmers in the West.

With this large reduction in grain there was again combined a greatly reduced purchasing power both in Europe and Asia which forced prices to a still lower and more unprofitable level.

On the other hand, there was a very marked increase in dairy products throughout the Dominion. The production of butter was 64.9 per cent. greater than in 1930, and the quantity exported increased from 1,167,000 pounds to 10,487,200 pounds, while imports were reduced to less than eight per cent. of those in 1930. It is encouraging to observe that dairying is again taking a larger place in the activities of the West. Saskatchewan, for example, produced 36.2 per cent. more butter in 1931 than in 1930.

The export of cattle was in larger quantity than for some years. An increase also took place in the number of live stock, poultry, etc., on western farms, adding further ground for hope that the too general disposition to rely on one crop will gradually disappear, resulting in the western farm becoming more of a self-contained unit and its owner more independent.

Encouraging Signs

It may not be out of place to mention two facts which offer some encouragement for 1932. The first of these is that, over the larger portion of the Prairies there is a considerably greater reserve of moisture in the soil than was the case a year ago. Precipitation during December was approximately twice that of December of a normal year. The season, therefore, will not begin under the handicap which existed a year ago. The other promising feature is that all the present indications point to a considerably reduced world production of wheat and rye, and the disappearance within a reasonable period of the large surplus stocks which have so greatly depressed prices.

Commodity Demand Down

Most Canadian industries further reflect the reduced demand for commodities. Lumbering was at its lowest for several years, though a little encouraged by the considerably increased proportions of the requirements of Great Britain and the Empire which Canada has supplied, and hopeful of further advantage, from the treaty with Australia. It is estimated that British Columbia supplied 33% of Britain's demands in 1931, as compared with 24% in 1930, while Australia obtained 60% of its requirements from British Columbia, as compared with 29% in 1930, and New Zealand 87% in 1931, as compared with 50% the previous year.

The fisheries had a poor year, both with respect to catch and prices, lobster being the only exception to a considerable reduction in practically all varieties.

Mineral Production

Mineral production makes the best showing among our natural resources, the estimated total value being $227,769,000, as compared with $279,873,578 in 1930. Even this is slightly in excess of that of 1925, and clearly indicates that mining has been a stabilizing influence in these times. The falling off was due to lessened production of all metals except gold, but even more to the drastic reduction in metal prices and to greatly reduced demand for coal and other non-metallics. On the other hand, gold production increased 27.5 per cent. to an aggregate of $55,395,000, further emphasizing Canada's position as the second largest gold-producing country of the world. Exploration and prospecting are being prosecuted most vigorously, with results which give promise of increased expansion when a revival of the demand for metals takes place.

Manufacturing Activity

Manufacturing in most lines has been less active. There was a further reduction in the output of newsprint, automobiles, steel, agricultural implements, etc. In a few lines, however, there was increased activity. Among these are boots and shoes, in which the output each month since February exceeded that of 1930, and certain of the textiles.

There was considerable new construction of various kinds, but due to a material falling off in the erection of buildings for business and industrial purposes the total value declined.

The development of Hydro-Electric power continues, and during the year an additional 400,000 horsepower were completed and put in operation, while plants with a combined capacity of 1,500,000 horsepower are under construction.

Increase in Branch Factories

A feature of considerable promise is the large number of branch factories which have been located in Canada and the enquiries constantly being received, which indicate more are coming. These are so far mostly branches of United States companies, though a few British industrialists have seen the advantage of taking this step, and we trust many more may do so.

The volume of our foreign trade, both imports and exports, has declined, partially due to reduced commodity prices. While this is the case, it is gratifying to find that the considerable excess of imports, which in 1930 amounted to $103,000,000, has been overcome. For the first eleven months of the calendar year the adverse balance of trade was only $17,000,000, and in recent months exports have exceeded imports, with excellent prospects for a favorable balance for the fiscal year.

Slate Must Be Cleaned

If this protracted depression has been the result of conditions confined to our own Country, I am satisfied we should soon be riding out of it. But until the international skies become clearer we cannot expect a full measure of improvement. Surely there must soon come a realization of the necessity for a final settlement of the question of reparations and war debts as the first step towards ending the economic warfare in which the world is engaged. With the slate clean, it would be possible to write something constructive upon it, and to proceed to a solution of the questions of maldistribution of gold, the diminishing gold reserves, international trade barriers, and other evils impeding a return to world prosperity. The subject is so interesting that one might easily be tempted to discuss it at some length, but I must turn to a consideration of our Statement.

Comparison Is Gratifying

A comparison with the Statement for the previous year discloses some interesting and gratifying features. The total Assets have increased during the year by nearly four million dollars. Our deposits are greater by $656,177, and debentures payable in Canada have increased by $3,119,682. The total of our Canadian funds is, therefore, $3,775,859 in excess of a year ago. This increase was very much greater two months ago, as both our depositors and debenture holders responded to the Government's appeal in the latter part of November for subscriptions to the National Service Loan in the most wholehearted manner. Withdrawals of deposits for investment in these bonds aggregated a large amount, and a considerable number of debentures which matured about that time were converted into the Government loan.

Our Sterling debentures are also slightly increased. This is accounted for by the considerable sums of British moneys received during the first half of the year, and by the most gratifying manner in which Sterling debenture holders renewed about fifty per cent. of the maturities in November, notwithstanding a reduction in the rate of interest offered.

Strong Liquid Position

The Corporation's holding of Dominion and Provincial Government bonds has increased by $1,004,294, and of bonds guaranteed by those Governments by $365,055. There is also an increase of $691,397 in bonds of and guaranteed by some of our large and strong Municipalities. In cash, bonds and stocks (not including, of course, the stock of our Trust Company) and in advances thereon, we held an aggregate of $9,246,971, equal to sixty per cent. of our deposits, which you will agree gives the Corporation an unusually strong position of liquidity.

The aggregate of real estate held for sale has increased to a greater extent than we could have wished, though the increase is not greater than was to have been anticipated in view of the present very limited demand for property of any kind. The amount is, however, considerably less than one per cent. of our assets, and, I may add that it is less than in the years 1922 to 1927, in the former of which both mortgages and total assets were less than sixty per cent. of their present respective totals.

Mortgages total $1,622,635 more than at the end of 1930, including some increase in interest. Possibly you may not consider the amount of interest included in our Assets unduly great when I inform you that it is less than the aggregate of interest which became due on and after 1st December last. A large portion of it has since been paid.

Policy of Leniency

It has always been our policy to extend to our customers every consideration we possibly can consistent with the reasonable protection of the Corporation's interests, with a view to enabling them to redeem their homes, whether it be a residence in Toronto or a farm on the Prairies, and there are many in the East as well as the West who are compelled to ask for a little leniency. Fortunately, due to our policy of providing in our mortgages for a gradual reduction of principal each year, very many of the loans are already so well reduced that this leniency, so greatly needed, and in many cases greatly appreciated, can be granted with perfect safety.

Mortgage Holdings

It may interest you to know that we held on 31st December 19,702 mortgages, the average amount, including interest, being $2,939. We prefer as security for advances the modern dwelling of moderate size, and the large majority of our loans are on that class of property. In British Columbia the average mortgage claim is $2,215, in Alberta $1,777, in Saskatchewan $1,599, and in Manitoba $2,152.

As a further indication of the character of our mortgage investments I may inform you that the repayments of principal last year aggregated $4,432,367. Of this sum more than one million dollars were in reduction of the principal of mortgages on properties in the three Prairie Provinces. The interest payments in those three Provinces, notwithstanding a considerable reduction in the aggregate investments in those Provinces, were only $62,182 less than in 1930.

Conditions in Western Canada

We hear much, far too much, about conditions in the Canadian West. I am reasonably familiar with those conditions. No one could suggest that they are not unusually trying, especially in some districts. Business is not good, many farmers are in financial difficulties, and there is some real distress. But I have no hesitation in saying that conditions there are not nearly as bad as many in the East have been led to suppose. In the northern portions of Alberta and Saskatchewan there have been good crops of excellent quality, and our borrowers in those districts have made good payments. Many in the East are not as well informed about the West as they should be, and think and speak of the West in too general terms, without any recognition of the immense territory it includes and of the fact that one district or several districts may have been much more fortunate than others. There is no doubt that even the districts which recently have been hardest hit will make a satisfactory recovery. A good crop this year and a moderate recovery in prices, for both which there is at least reason to hope, will completely change the tone and entire business atmosphere.

Mortgage Distribution

I have concluded, however, that you will be interested in some information concerning the distribution of our mortgage investments throughout the Dominion. I endeavored last year to give you some indication of the reduction which had taken place in recent years in the volume and proportion of our mortgage loans in Western Canada. Some statistics may be of assistance to a clearer understanding.

Less than 26 per cent of our mortgage investments are on properties in the three Prairie Provinces, including all our loans in the Cities, which latter are in a very satisfactory condition. These are divided as follows: 10.77 per cent. in Manitoga (including Winnipeg), 9.10 per cent. in Saskatchewan and 5.99 per cent. in Alberta. Our loans in British Columbia, of which more than 80 per cent. are on properties in Vancouver, are 8.21 per cent. of the total. Thus the total mortgage investments west of the Great Lakes, equal 34.07 per cent. of the aggregate, leaving 65.93 per cent. in Eastern Canada. Our loans on farm properties throughout the Dominion are 22.77 per cent. of the total. The mortgages on properties in the two leading Cities of Toronto and Montreal alone aggregate nearly $21,000,000. I believe you will recognize that this is a very satisfactory diversification.

Investments Carefully Selected

A further indication of the reduction which has taken place in recent years in our Prairie mortgages, will be found in the following: At the end of 1920 the total mortgage investments and real estate in those Provinces amounted to $14,230,466. Among the assets of four Companies we have since acquired were mortgages and real estate in the Prairie Provinces to an amount of $6,262,933, making a total entirely apart from the loans we have made since 1920, of $20,493,399. As our mortgages and real estate in those Provinces amount now to $15,138,947, there has been a reduction in that period of $5,354,452, exclusive of all the loans the Corporation has made in the past eleven years. I think the figures speak for themselves. They seem to me to afford abundant evidence that our investments have been carefully selected, and that we also have not been unmindful of changing conditions.

Taxes Rising—Economy Needed

The President has made a very timely reference to the rapidly mounting taxation to which business of all kinds is subjected at a time when the other difficulties it already has to contend with are bearing heavily upon it. Last year we were compelled to pay $31,000 more than in 1930, and $44,000 more than in 1929. Exclusive of all taxes on real estate, we had to provide from our profits to meet taxation imposed upon us approximately $155,000, a sum considerably in excess of two per cent of the paid-up capital, and there are already intimations that there will be further increases this year. Surely the time has come to call a halt upon the expenditures which render these increased levies necessary.

I desire to associate myself with the President in his expressions of deep regret at the passing of the First-Vice-President, Mr. Clarkson. It was my good fortune to be able to persuade Mr. Clarkson to accompany me on visits to all our Branch Offices, and I found his companionship not only delightful but of much assistance. As a Director and Vice-President his valued counsel was always cheerfully placed at our disposal.

Thanks to Colleagues

In times like those through which we are passing it is a great comfort to have able and experienced colleagues and assistants with whom we may share our problems and anxieties. We have been particularly fortunate in this respect, as without the loyal support and hearty co-operation of the officials at Head Office, the Branch Managers, and the members of their various staffs, all of whom have found 1931 to be a year in which a great deal of hard work was required, the gratifying results we have been able to report could not have been produced. I am happy to include among those thus referred to the officials and other members of the staff of our Trust Company. To all of them I beg to offer the sincere thanks of the Directors and General Manager, and feel sure you will desire to also convey to them the thanks of the Shareholders.

The following Directors were unanimously re-elected: W. G. Gooderham; George H. Smith; Col. A. E. Gooderham, LL.D.; F. Gordon Osler; William Stone; John A. Rowland, K.C.; George W. Allan, K.C., Winnipeg; A. B. Campbell, W.S., Edinburgh; Norman Mackenzie, K.C., Regina; F. S. Corrigan.

At a subsequent meeting of the Board of Directors Mr. W. G. Gooderham was re-elected President, Mr. George H. Smith, First Vice-President, and Col. A. E. Gooderham, LL.D., Second Vice-President.

An unusual feature of the proceedings was the presentation by Colonel A. E. Gooderham, on behalf of the President and Directors, to the Vice-President and General Manager, Mr. George H. Smith, of a portrait of himself, painted by Mr. Joshua Smith, R.B.A. The presentation was made in recognition of the General Manager's association of fifty years with the Canada Permanent, and he was requested to allow the portrait to be hung in the Board Room, which he graciously assented to.

Investment Markets

ESSEX BORDER UTILITIES MEET PAYMENTS DUE

Windsor and Walkerville Guarantee Uncollected Amount

SEEKS NEW POWERS

Sandwich West and Riverside Defaults Total $22,467; Other Municipalities Pay Up

Payment is being made of $163,827 interest and principal which came due on February 1 on the bonds of Essex Border Utilities Commission, although Riverside and Sandwich West have defaulted payment of their respective share amounting to $22,467. Windsor and Walkerville have given guarantees to the bank which covers the payments due by the defaulting municipalities.

Payment on the Essex Border Utilities Commission bonds was in some doubt until just before due date. Legislation is possible at the coming session that will define the utilities commission position as a creditor to the municipalities which have already defaulted payments on their own bonds. It is now understood that Windsor and Walkerville have both made their guarantees without any strings attached as to priority of claim.

Asks for Priority

The utilities commission has passed several resolutions which may indicate the type of legislation to be sought. The guarantees of Windsor and Walkerville are to be ratified and the commission is to have a prior claim on defaulting municipalities. The commission is to be defined as a municipal corporation with power to borrow against collateral of its requisitions on the several municipalities served and it may have the power to prevent representatives of defaulting municipalities from voting upon a two-third vote of the members of the commission.

The situation of the Essex Border Utilities Commission arises from the fact that it serves the border cities in Ontario and derives all its revenue from these municipalities, some of which are already in default on their own bonds. The bonds of the commission are not a joint and several liability of the various communities, each of which is liable for its share only. Due to essential services rendered by the commission and the advisability of maintaining its credit, Windsor and Walkerville which have the most at stake camot afford to permit default on the bonds.

The Essex Border Utilities Commission was set up in 1916 through special legislation which permitted the municipalities along the Essex Border to unite in the solution of problems in which all of the municipalities were interested. Eight municipalities are represented on the commission as follows: Windsor, Walkerville, East Windsor, Sandwich, Ojibway, Riverside, LaSalle and part of the township of Sandwich West.

Has Special Act

The commission has constructed a joint sewerage system serving the various municipalities, erected a filtration plant, formed a joint board of health and promoted a general hospital. Due to the rapid growth of the Border Cities the commission planned well in advance and all sub-division plans had to be submitted to the commission for approval. Management of all parks was also consolidated. Operating under the Essex Border Utilities Act the powers of the commission have been extended through various amendments to the original act.

The commission is not empowered to expend any money, except for ordinary operating expenses and for investigation, on any project unless approval is obtained from the qualified electors. Operating expenses are supposed to be met by the several municipalities in proportion to the representation of the municipality on the board. The cost of various co-operative projects has been apportioned as far as possible on the basis of benefit actually received. Under special legislation in 1927, however, the share to be paid by the various municipalities served can be varied annually by mutual agreement of the municipalities concerned.

The commission has issued its own debentures of the equal annual installment type to an amount sufficient to cover the works involved and charges are met by annual requisition on each of the municipalities. If re-apportionment changes the share of any community it merely means that the levy on that community is raised or lowered in order to secure the total amount of debenture installment then payable. Each municipality is responsible for its share of the debt which is not a joint and several liability. The commission is empowered to sue any municipality which fails to pay its share.

FOREIGN AFFAIRS CLOG INFLUENCES IN WHEAT MART

Many Important Factors Now Emerging as Having Influence

From Our Own Correspondent

WINNIPEG.—The grain market has been lately so much under the influence of international events in finance and politics that ordinary factors have had little chance to assert themselves.

On the bullish side there has been Italy's advertised shortage in wheat made manifest by relaxation of milling restrictions to permit the use of 80 per cent of foreign wheat in manufacture of macaroni, and 30 per cent in flour mixtures, actually higher percentages than would normally be used in the absence of restrictions. France, too, has had to modify her restrictions to allow ten per cent, instead of three per cent of foreign wheat. This confirms earlier opinions to the effect that European supplies of native wheat would be exhausted during the current season, and create an unusual dependence upon imports before the end of the crop year. Drying up of Russian shipments also confirmed opinion that Russia's ability to export would not last through the season. Continuation of a good demand from the Orient promised large consumption there for the year.

Heavy Unsold Shipments

On the other side were heavy shipments of wheat from Australia and the Argentine, much of it consigned unsold to European markets, putting buyers in a favorable position just at the time when a heavier dependence upon North American supplies had been anticipated.

The cold wave of the past week created a premature fear of heavy damage to the winter wheat of the United States, on the theory that grain which had been kept growing by mild weather, or was unprotected by snow might suffer heavily. Actual damage to the winter wheat crop, however, when it develops, usually occurs later than this. Liverpool strength on one occasion was taken as indicating a close concern abroad for results of this crop in the United States.

U. S. Carryover High

The United States market continues to hold above export levels, mainly due to the fact that carried-over supplies are so largely in the hands of Farm Board agencies. Concern develops from time to time there when it is realized that United States carryover will be higher than ever at the end of this crop year, only to be relieved later by realization that such carryover will constitute the major part of the world surplus at that time.

When exchange is taken into consideration Canadian wheat is underselling United States wheat by a wide margin, giving this country the greater part of the business done from North America.

Durum Premium Heavy

Durum wheat premiums have lately been wider than ever, with No. 3 Durum worth five cents a bushel more than No. 1 Northern, and No 1 Durum twenty-three cents more. It is an indication of the fact that there is an actual shortage of wheat for macaroni manufacture instead of a surplus as is the case with bread wheat.

Effects of the trouble in the Far East on the wheat situation are extremely uncertain. While wars and war threats are usually bullish, Japan has had a considerable trade with China in flour manufactured from imported wheat, and if that trade is shut off it might mean a considerable decline in Chinese requirements.

With all the uncertainties of world politics and finance there is little disposition on the part of buyers or traders to make forward commitments.

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The Hon. J. M. Wilson
600

ONTARIO BONDS SHOW ADVANCE SINCE OFFERING

Demand Comes Largely from Dealers Covering Old Orders

With the successful placement of the $25,000,000 of Ontario bonds a general firmness has taken place in the Canadian high-grade bond market with some evidence of an improved demand and slight strengthening in prices. Offered at 96 the Ontario 5½'s were quoted at 97¼ to 97¾ on February 2, one week after the offering, while the 6's were quoted at 100 1/8 to 100½. Not for some time has a new issue of bonds sold at a premium on the offering price.

Improvement in price of the Ontario's is regarded by some bond men as being due to purchases being made by bond houses in order to cover orders received when the loan was first offered. Subscription was considerably above the $25,000,000 of bonds available with the result that dealers orders were all scaled down materially. The offering met a ready response from investors, particularly private investors while institutions participated to a fair extent and some orders came from the United States. Orders from the latter source are understood to have been about $1,000,000.

Feel Price Was Low

By some dealers, the present price for the Ontario's is regarded as being an indication that the bonds were offered rather under the market. There seems to be some possibility that this will be brought up at the next session of the Ontario legislature which convenes within the next week. Criticism is levelled on the ground that by selling the bonds on a 5.90 and 6 per cent yield basis to private investors financing by Ontario municipalities has been handicapped since investors will expect better than a 6 per cent yield from such borrowers.

Opposed to the suggestion that the Ontario bonds were offered under the prevailing market it is held that the Ontario issue is the largest piece of financing to be undertaken by a province or municipality since June, 1931, when Ontario placed an issue of $40,000,000. The latest issue was the most important test of the market that has been made since the National Service Loan in November, 1931, and the fact that the bonds sold as quickly as they did is a psychological factor which may definitely influence the future market. Had the bonds been offered on a 5.80 per cent yield basis the province would have secured $2,000,000 more on the 15 year bonds and some $31,250 more on the 3-year bonds.

Toronto Issue Delayed

Toronto is expected to be the next borrower in the market but offering has been delayed and is not expected before the week of February 8. Details of the proposed financing are not available although it is generally understood that the city will maintain its policy of issuing serial bonds. Continuation of this course was advised by a committee of bankers last week but bond dealers are rather in favor of straight term bonds since there may easily be several maturities of a serial issue that are difficult to sell and which might be left overhanging the market.

British Columbia, Quebec, Nova Scotia, are the prospective provincial borrowers in the next few months. Should Quebec enter the market there is little doubt in investment circles that any reasonable issue would be quickly subscribed at prices to yield considerably better than any other provincial offerings. The position of the province is extremely sound and its credit has always been very high. Last autumn an issue of some $11,000,000 was suggested. British Columbia needs some $10,000,000 of financing this year chiefly for refunding purposes but may ask for considerably less than this amount at the present time. Nova Scotia could also use several million.

Municipal financing is almost negligible pending the offering of the more important pieces of financing. Several municipalities have called for tenders and have made sales privately but bids are few and most offers are on an optional basis. Montreal Catholic School Commission is understood to be planning an issue of some $4,000,000 or $5,000,000.

ACCUM. ESTATES UNITS ARE SOLD ON TIME PLAN

Subscriber Makes Monthly Deposits for Ten Years

From Our Own Correspondent

MONTREAL.— Accumulated Estates, Ltd., is offering participation contracts in a trust fund on a basis which enables the subscriber to make monthly desposits. Contracts are issued in multiples $1,200, payable in monthly deposits of $10 or upwards. With life insurance, total contracts are limited to individual amounts of $9,600 while there is no limit under the other plan which does not involve life insurance.

The prospectus of the company states that the trustee, Chartered Trust and Executor Co., receives the deposits and after deducting insurance premiums and fixed service charges, holds them, pending investment at regular intervals in units of the trust fund.

Charges Are Estimated

Fixed service charges over the 10-year period are estimated to average not more than 1½ per cent per year under plan A (with insurance) and three quarters of 1 per cent under plan B (without insurance). At the end of 10 years the trustee will remit a cheque for the amount of the participation at its market value estimated in accordance with the terms of the trust agreement.

Restrictions on the investment fund are as follows: At least 75 per cent of the value of the trust fund, according to a semi-annual examination, will be held in cash or invested in obligations of, or guaranteed by the Dominion of Canada or any province or municipality and/or mortgage bonds of utility or industrial corporations. At least 50 per cent of these investments shall be in securities rated AA, A1 or better. Not more than 25 per cent may be invested in bonds, preferred or common shares of less than A rating.

Insurance and Withdrawal

Insurance, under plan "A" will be issued to ensure the balance of deposits to be made under the contract. Premiums are included in the authorized deductions and will be paid by the trustee.

Regarding withdrawal: the beneficiary is entitled to the cash value of his units of participation in the trust fund together with any cash to his credit. No cash return is available until at least seven monthly deposits have been made and full amount of service charges and insurance premiums will be deducted. Default in payments may be remedied within a period of six months.

Public Utility Earnings

Barcelona Traction

	1931 Pesetas	1930 Pesetas	Increase Pesetas
Gross earn.	9,793,405	9,695,470	97,935
Oper. exp	3,154,848	3,442,643	*287,795
Net earnings	6,638,557	6,252,827	385,730
Aggre. gross from Jan. 1	107,291,991	107,285,048	6,943
Aggre. net from Jan. 1	70,554,103	70,281,998	272,105

* Decrease.

Bond Tenders

6 o'clock p.m., Feb. 8, Village of Almaville, Que.—$27,000, 5½ per cent, 10 year serial bonds, dated Feb. 1, 1932, payable at Bank of Commerce, at Quebec, Montreal and Shawinigan Falls. J. Beaumier, sec.-treas.

5 o'clock p.m., Feb. 15, Parish of Sainte Flore—$20,000, 5 per cent, 34 year serial bonds, dated Sept. 15, 1930. N. Duchenes, sec.-treas.

12 noon, Feb. 8, Township of Etobicoke, Ont.—$112,415, 6 per cent debentures as follows: $11,765 in 30-installments; $35,620 in 20-ins.; $16,500 in 20-ins.; $22,275 in 10-ins., and $26,255 in 5-ins. S. Barratt, township clerk, Islington, Ont.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100
Toronto Conser. of Music	*5%	....	Mar. 1	103

*Called in part.
†Or before.
*$5,000.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1931 $	Net income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr: divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Brockville Trust	Dec. 31	44,778	48,015	4.47	4.80	3.50	3,311	4,364	...	...	...
Sarnia Bridge	Dec. 31	*12,389	*28,487	Nil	Nil	...	4,095	15,908	7	...	...
Mortgage Corp. of N.S.	Dec. 31	76,050	68,921	11.18	10.13	7.00	3,571	4,121	...	...	...
Trusts & Guarantee	Dec. 31	129,883	153,205	6.56	7.75	6.00	158,404	237,508	...	...	...
David & Frere, Ltee.	Dec. 31	*43,302	107,259	...	†4.66	1.00	71,001	160,212	...	...	...
Page-Hersey Tubes Ltd.	Dec. 31	1,013,739	1,801,666	5.81	10.33	5.00	3,557,326	3,400,740	59	10.1	8.5%

*Loss. †Class "A" shares.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Dorval, Que.	Jan. 15	Ernest Savard	5½%	30-yr.	$60,000	90.25	6.45%
Woodbridge, Ont.	Jan.	Locally	5%	15-yr.	14,275	...	...
L'Assomption, Que.	Jan.	La Societe des Artisans Canadians Francais	5½%	30-ser.	15,000	100	5.50%
Leeds & Grenville, County of .	Jan. 16	Harris, Mackeen & Co.	5½%	20-ins.	250,000	...	...
Goderich, Ont.	Jan.	Cochran, Murray & Co.	5%	20-ins.	43,975	100.554	...
Almonte		Gairdner & Co.	5%	....	20,000	96	...
Barrie, Ont.	Feb. 2.....	Gairdner & Co.	5% 5% 5%	15-ins. 20-ins. 15-ins.	21,000 25,569 13,000	94.	5.85%

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Published by
THE MACLEAN PUBLISHING CO., LIMITED
143 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GT. BRITAIN, London, The MacLean Co. of Great Brittain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1. E. J. Dodd, Director.

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TORONTO, FEBRUARY 6, 1932

BUSINESS LEADERS SEE NECESSITY OF TAX CUTS

MORE of our outstanding leaders of business and finance have added their voice to the nation-wide demand for lower cost of government.

In Montreal, Hon. Gordon W. Scott, former provincial treasurer of Quebec, said:

"It is only by realizing the condition of our affairs as now existing and by confronting realities in our national and provincial life, as disclosed by our public finances, that it will be possible for each succeeding generation to bear its rightful share of the cost of development and leave things, if anything, a little better than they were found.

"The balanced budget is the one sure way toward national and provincial progress."

Retiring as president of the Montreal Board of Trade, Norman J. Dawes said:

"Unlike the industrial world, which under a diminished income, endeavors to curtail its expenditures and thus to balance its budget, the governments of today find that, despite the decrease in revenue, their expenditures are continually increasing. The result is that the taxpayers of the country, at a time when their income is reduced, are called upon to pay an additional amount in taxation, and the burden of the present-day cost of government is affecting all sections of the country.

"It seems to me that governments should follow the practice of the ordinary citizen, and endeavor to balance their budgets by curtailing expenditures."

At the annual meeting of the Bank of Nova Scotia, in Halifax, J. A. McLeod, the general manager, stated that in the prosperous years large amounts of new securities had been created and placed upon the market, and that as a result the burden of debt today was unduly heavy. He continued:

"Because recognition of the need for public economy has been reluctant and tardy, the necessity for new financing is still present; and imprudent borrowing in the past has made such new financing unduly difficult at the present time.

"In this connection I cannot urge too strongly that one of our most urgent necessities in Canada is a scrupulous balancing of all budgets, whether federal, provincial or municipal; and that this object is far better realized, whenever possible, by retrenchment in expenditures, than by heavier taxation."

W. G. Gooderham, who has watched Canadian economic growth as long as any of our financial leaders, said in his presidential address at the annual meeting of Canada Permanent Mortgage Corporation:

"One of the most important tasks to which our energies must be directed is to bring to an end the era of extravagance, and by retrenchment in expenditure to balance our budgets. In private business this has largely been effected through a severe pruning process, but public expenditures have continued to expand year by year, with reducing income and a resultant increase in public debt and in taxation to be borne by individuals and companies which are being crippled thereby. I am glad to observe that there has recently been a growing recognition of the necessity that this evil be remedied by the exercise of the old-fashioned virtue of economy, and I trust that there may be developed such a strong public opinion as will ensure the necessary curtailment of governmental and municipal expenditures, and at an early date afford the long-suffering taxpayers a measure of relief."

George H. Smith, first vice-president and general manager of the corporation, made clear the effect on one company of the rising tax burden when he said at the Canada Permanent meeting:

"Last year we were compelled to pay $31,000 more than in 1930, and $44,000 more than in 1929. Exclusive of all taxes on real estate, we had to provide from our profits to meet taxation imposed upon us approximately $155,000, a sum considerably in excess of two per cent of the paid-up capital, and there are already intimations that there will be further increases this year. Surely the time has come to call a halt upon the expenditures which render these increased levies necessary."

At the annual meeting of la Banque Provinciale du Canada, the president, Sir Hormisdas Laporte, said:

"The repeated concessions made by the governments have developed exigencies which have contributed to a steady increase in the debt of the state and municipalities. We must not think only of placing the burden on the state, to give it added responsibilities or overtax it with financial and moral obligations which are not always within its province.

"Our country possesses vast resources, but it is still in a stage of development and it is advisable not to hypothecate the future too heavily."

These pleas express what business men with a stake in the country are feeling very intensely. Governments must take heed; some are already.

A TAX TO PAY RAIL DEFICITS

JOHN T. HACKETT, K.C., M.P., of Montreal, delivered quite a striking address on the railway situation before the Canadian Club of Toronto recently. Mr. Hackett's views are well known, as he took three occasions to express them during the last session of parliament. Mr. Hackett feels that the country can no longer afford to continue the operation of the Canadian National Railway as a public enterprise, and he feels that the first opportunity should be taken of selling the Canadian National Railways for whatever price it will bring.

Sir Henry Thornton, chairman of the Canadian National, is quoted as challenging Mr. Hackett's figures.

Apparently each one is looking at the Canadian National finances from a different viewpoint. But facts are facts and when Sir Henry Thornton states that the C. N. R. deficit between 1923 and 1930 was $89,000,000, his statement is correct only according to his way of looking at it. Says Sir Henry:

"In these eight years the system earned $242,000,000 to be applied against interest charges due the public of $331,000,000. The deficit, therefore, for the eight-year period has been $89,000,000 and against this might be offset a cash insurance reserve which has been built up of more than $9,000,000."

The Financial Post presents herewith a table showing the actual deficits of the Canadian National Railway, after all interest charges, for the years from 1919 to 1930:

C. N. R. Deficits
After Interest to Government

1919	$55,300,000
1920	80,500,000
1921	69,900,000
1922	57,900,000
1923	51,700,000
1924	54,900,000
1925	41,400,000
1926	29,700,000
1927	36,700,000
1928	29,800,000
1929	46,100,000
1930	68,300,000
1931 (probably)	90,000,000

This makes it clear that the actual deficit—the amount by which the taxpayers dipped into their pockets to support the Canadian National Railways was $358,600,000 between 1923 and 1930. This is slightly larger than the figure quoted by Mr. Hackett. It is four times as large as the deficit as quoted by Sir Henry Thornton.

Sir Henry's figures on capital borrowings between 1923 and 1930 give striking confirmation of figures compiled by the Financial Post and published last summer. He states that in the eight-year period the gross additional liabilities incurred were $673,000,000 of which $412,000,000 was spent on betterments and extensions. These figures are almost exactly the same as those presented by The Post. But what Sir Henry did not say is that despite this enormous new investment of capital, despite an increase in 1930 gross earnings of $16,000,000 over 1922, the year before the Thornton programme began, the deficit in 1930 was $10,000,000 greater than in 1922.

A novel proposal was made by Mr. Hackett that a special tax should be levied by the Dominion government to be called something like "the Canadian National Railways deficit tax" and to be levied on all citizens. This would bring home to the people each year a realization of what government ownership of railways costs them.

The idea is worthy of being further expanded, although no one expects that any government will adopt it. We might have another tax called the "paternalism" tax to provide the money for old age pensions, rural credit schemes, etc. Cities might have special mills levied called "the three 'C's' tax" to cover the teaching of calisthenics, carpentry and cooking in secondary schools. Some of the provinces could have a "white elephant" tax to cover the cost of maintaining such investments as the Pacific Great Eastern Railway, the Manitoba Farm Loans Association, the new Ontario harbor at Moosonee, etc.

But so long as there are politicians, the consolidated revenue fund is probably safe. All the taxes go into one big pot from which are extracted the sums necessary to meet the legitimate costs of running governments, plus the expense of maintaining notions and extravagances. The taxpayer may feel that he is over-burdened but he finds it difficult to determine how much of his taxes are spent efficiently and creatively and how much are thrown away. From the politicians' viewpoint this is the merit of the present system.

ST. LAWRENCE SEAWAY TOO BURDENSOME NOW

NORMAN J. DAWES, in an address delivered on his retirement from the presidency of the Montreal Board of Trade last week, made a most exhaustive analysis of the St. Lawrence waterway project. His views are worthy of study by the enthusiastic proponents of this waterway. There is a tendency for those who carry on propaganda for the St. Lawrence development to insinuate that Montrealers have no right to be heard on the subject of the waterway because they are prejudiced. If the citizens of those parts of Canada that object to this development are not to be heard, it seems that the discussion will have to be confined to the residents of two provinces, Ontario and Manitoba, and possibly half of another province. Maritime provinces business men do not feel that their taxes should be increased to provide a waterway which cannot serve them. Alberta and British Columbia are indifferent now that they are using the Panama Canal route. Those in the eastern half of the prairies are inclined to back the waterway although one might reasonably enquire how the St. Lawrence waterway could be of value to them if their own project, the Hudson Bay Railway, has given them what they have wanted for fifty years, a seaport of their own. Substantial support for the waterway is in reality concentrated in Ontario, and almost entirely in the Great Lakes cities, which still have ambitions of becoming ocean ports.

The address of Mr. Dawes very properly expressed concern as to the financial ability of Canada to assume any large debts in connection with the waterway. No matter what ultimately may be the value of the scheme, it must be shelved for a number of years if it is to involve Canada in the investment of any large sum of money. Canada's objective for some time to come should be debt reduction rather than debt increase.

Mr. Dawes pointed out that existing canals on the St. Lawrence were not being fully utilized; he questioned the estimates of savings in the cost of shipping grain; he expressed his fear that the interests of our over-burdened railways might be jeopardized by the establishment of a new competitor built at public expense.

"Canada is suffering now from the over-optimistic vision of the past generation," said Mr. Dawes. "We must benefit from the experiences of the past and not add further to the tremendous public debt by spending appallingly large sums for any schemes that are not really necessary."

This is a reasonable view. Canada cannot afford the St. Lawrence waterway now or for many years yet. If and when it is built provision should be made for a revision of our treaties with the United States relating to the use of canals. Those who use the canals should pay tolls, to provide the operating and interest costs. If prospective customers of the St. Lawrence waterway are not prepared to pay those tolls, then this in itself is an admission that the project is not economically justified.

UNEMPLOYMENT RELIEF COSTLY FAILURE

FROM still another source comes a definite opinion that the unemployment relief scheme of the Dominion, provincial and municipal governments has proven a costly mistake. Speaking in Ottawa, J. A. Ellis, director of the Ontario Bureau of Municipal Affairs and of Unemployment Relief, is reported as having declared that "legitimate unemployment is very little more than last year, and yet it will cost nearly $33,000,000 to take care of unemployment in Ontario this year, compared with $18,000,000 spent in that connection last year." He added that the more Governments and municipalities spend on unemployment relief the more it grows, and the more people say they are entitled to it.

"Pretty soon," concluded Mr. Ellis, "we'll have professional unemployment. We used to have it twenty years ago; we called them tramps then."

The unemployment schemes have not reduced unemployment but they have increased public debts and costs of government.

GOOD ADVERTISING ONE WAY OUT

TORONTO evening newspapers carried twenty-three solid pages of advertising from two department stores one day recently. One store used seven pages in each paper; the other used sixteen in each of the two papers. The stores were crowded. Neither the volume of the advertising nor the crowds in the stores suggested depression although some of the prices did. What net profit was made on the enormous business turnover enjoyed following this massed advertising attack is a business secret. But both stores have a well-earned reputation not only for good merchandising methods but for business judgment and it may be assumed that they have not gone in for such extensive advertising simply to put the newsprint industry on its field feet nor even to support the hospital that is the chief beneficiary of one of the newspapers.

Capable department store executives find that depression makes more and not less advertising desirable.

Advertising is only one arm of merchandising and does not in itself constitute salesmanship. But it is an important arm and firms that allow the arm to wither in times like this will find themselves handicapped in the race of business when prosperity comes.

EDITORIAL NOTES

The Northern Tribune, of Kapuskasing, thinks the Canadian National Railways needs "a doughty champion of the type of Sir Adam Beck." Isn't the real trouble that the C. N. R. has too many Beck-type champions trying to make it so sacrosanct that even honest criticism is called treasonable?

* * *

The amazing reversal of policy by Toronto's civic leaders is a happy augury. From a carefree, happy lot of spenders, opening new streets, building bridges and erecting new civic structures right and left they have, under the leadership of Mayor William Stewart and the Evening Telegram, become a group of savers. The reformation is late but welcome and indicates the power of informed public opinion. All governmental authorities should realize that what most people are demanding today is economy in public expenditures, balanced budgets, reduced debts and lower taxes. Toronto's mayor is to be congratulated on his discernment in reading the public mind on this question and his vigor in pursuing his policy.

POST-scripts

THE Chinese are great believers in the power of legislation. They pass laws demanding that certain things be done and all too often forget to provide the machinery of enforcement. Of course in that respects they are not much different from some Occidental governments.

Typical of the Chinese faith in the passing of rules and regulations is the story brought home by a Canadian business man recently returned from China. He tells of a public building that was such a popular place that the large volume of traffic passing through it led to general confusion. The governmental officials in charge pondered over the problem of bringing order into the building and finally hit upon a clever scheme. They tacked up a large sign reading:

NO CONFUSION ALLOWED.

VARIOUS post-war books revealed the inner stories of gigantic schemes of propaganda. The revelations of how Lord Northcliffe worked at home, in Canada and in the United States and how mass emotions were swayed, often by sheer misinformation, is well known to most intelligent, reading folk.

Probably this is why a new attitude is apparent in the public mind toward the present embroglio in the Far East. Many business men were heard in after luncheon conversation this week to remark, "I wish I knew what was back of it all. I'm not putting too much faith in the news that is coming out by cable."

New Books

"Solution of World Chaos"

A. N. Wolverton, a stock broker of Vancouver, has been giving some thought to the world depression and in a little pamphlet called "The Remedy; a Logical Solution of World Chaos" he presents six suggestions which he thinks will be of value to Canada and the world.

An interesting discussion of the world debt situation is followed by a suggestion that the United States should reduce the interest on all foreign debts due to it, in exchange for orders for goods. Mr. Wolverton discusses silver, and his remedy here is to stabilize silver at a ratio of 40 to 1 with gold. He suggests repeal of the Volstead Act by the United States; the utilization of one-man buses on railroad wheels to solve the railway problem; the re-organization of Canada's nine provinces into five; the reduction of Canada's 800 members of Parliament to 300; the collection of income tax at the source.

The different subjects discussed are not necessarily related and Mr. Wolverton has probably weakened his strong case for revision of the war debts and other inter-governmental debts by including other problems for discussion.

There is some interesting material for debate in the pamphlet. Mr. Wolverton has published it himself and copies are available at 75c.

As Others See Us

Cutting Public Salaries

Ottawa Citizen.—Several provincial governments have put through civil pay cuts recently. Talk continues that a similar policy will be pursued with respect to the federal service, although no hint of this intention has come from official quarters.

With falling revenues it is, of course, but natural that governments that feel like babes in the depression wood should pick on this method of economizing to balance their budgets. They have been led to believe, by past practice and common tradition, that when business slumps the easy and logical thing to do is to cut pay rolls.

An interesting dissenting opinion in regard to civil service salary cuts comes from a rather unexpected quarter. The Financial Post of Toronto, in a reasoned editorial points out that government economies are essential but not at the expense of the civil servants.

The foregoing is followed by suggestions as to where certain government expenditures might be cut, and these, though tainted by an underlying assumption that nothing at all can be done about the depression except sit down and wait for "better times" are reasonable on the whole.

With the broad contention that salaries of civil servants should be the last things to be attacked by economizing governments, the general public, we believe, will be in agreement. It is unnecessary and unjust to slash haphazard at public employes' salaries when, as often happens, such tactics merely serve to screen deficiencies in management and lack of constructiveness in policy.

Editor's note: it would be interesting to know in what editorial in The Financial Post this assumption has ever been indicated!!

In the Mail

What Farmers Are Thinking

Editor, The Financial Post,—

I was very interested in a recent article in your paper on highways, particularly so on account of the recent construction of a new road between Medicine Hat and Taber, to connect with a gravelled road from Taber to Lethbridge. This road covers a distance of about eighty miles, and I am reliably informed that the cost is between six and seven thousand dollars per mile. At any rate the cost would be approximately half a million dollars to be divided between the dominion and provincial governments. The project was ostensibly relief work, and 60 per cent of the labor to be given to farmers.

In the first place the road was not necessary. I have driven the old road many times, and it was quite a good dirt road. The absurdity of the expenditure as a relief measure lies in the fact that the farmer really needing relief could not get it. Horses were largely used for grade work, in addition to the regular contracts let for road outfits. The farmers who had horses capable of doing this work, could have got along without it, and it was just so much extra, but the real relief was required by farmers who did not have the facilities to do this class of work. Just figure how far half a million dollars would go in the purchase of a few cows, pigs, chickens, new buildings, etc., even if it was on a loan basis, but this large sum will of course be included in the big relief measures, and the usual talk about helping the West.

I have lived in Alberta for twenty years, and there are no greater optimists in the world than these western farmers. It is true that they have been badly led by the leaders of their own organizations, and they are too willing to follow anybody with the hope of better conditions. Many of them are quite comfortable. I called at several farms last fall, and they had provisions and supplies put up for the winter. In my opinion it has been a terrible mistake to give so much publicity to relief talk. Many farmers would never have thought of it otherwise. It is now a case of "If so and so is getting relief, why should not I?" If we could only muzzle some of our leading politicians, and check their rash promises for party gain, the western farmer would work out his own salvation.

This is a railroad city, and I frequently hear discussions by railroad men on the proposed cut in wages. The men would not kick if they had any assurance of equal sacrifice on the part of higher officials. I am told that in this division between here and Calgary, there are eleven crews working, and fourteen officials, whereas, twenty years ago, there were fifty-one crews and eight officials. When you think of the exorbitant salaries of the high officials of both railroads, and talk of only 10 per cent reduction in their salaries, which means nothing, you can hardly blame the men.

If the government at Ottawa were really serious in their efforts for economy, it might be suggested that the millionaire members of the cabinet refund their salaries for a year, and let us have real public service, reduce the indemnities of the members by $1,000 a year, and cut the length of the session to meet this. Cut the salaries of the senators in half. With a one man government, they might get a couple of thousand a year to stay at home, or retire them all on a pension. Our judges also could stand a cut. At any rate, if some of these things were done, the ordinary man would have more confidence in our leaders.

I was struck with a remark of a farmer last week. He had been reading about the forthcoming conference at Geneva and said: If the representatives of the different countries would commence the debate by a resolution endorsing the Sermon on the Mount, they might get somewhere.

In conclusion, I might tell you a story that I think applies to Western Canada at the present time.

A man walking through a cemetery met another with a very bad cough. On approaching him he said: You have a very bad cough, sir. Yes, was the reply, but bad as it is, there are many down there who would like to have it.

With best wishes for "The Post."

WESTERNER.

Medicine Hat,
Jan. 28, 1932.

Other People's Views

The News Behind the News

Maclean's Weekly.—Wm. Powell, former Labor leader, a bright columnist in a local weekly, The Beaches Gazette, makes some cordial references to Colonel Maclean's article in The Globe's Empire issue of January 4. To us the most important part of his column article is where he says:

"With a newspaperman's nose for digging into the story behind the news—the real news—he (Colonel J. B. Maclean) has set down some truths that would be of lasting benefit to his brother native Canadians should they take time to mark, learn and inwardly digest. These are from the 'inside' of world's politics as they affect Canada."

In the above words he brings out a clear understanding of the work of editorial staffs catering to selective audiences; that is, we must have the news behind the news—the real facts—and then interpret that news for the benefit of our readers and Canada generally. If we don't give the news behind the news, how can our readers carry on to the best advantage?

Publishing the news behind the news is not usually a pleasant service. Many readers don't like it. They have an adamant state of mind — a mind that has been made up by reading the news from the surface—the stories of the propagandists. Evidence of this comes up this week in connection with apparently sensational announcements of debt cancellations, which is merely part of the propaganda going on for years to frighten and force the American voters.

As far back as October 28, 1921, The Financial Post said these debts would have to be cancelled. The article was headed "War Debts Likely to be Cancelled." Our information came originally from the best European financial sources and finally from men on the inside of public life at Washington. Our staff saw perfectly well what was going on. How the Americans, and to a considerable extent the Canadian investors, were being taken in and outwitted by the British, French and German borrowers. The United States had practically cancelled all its war debts. Then, out of the goodness of their heart and hoping to keep business moving; and through the shrewdness of European politicians and wholesale dealers in securities, were induced to lend billions of additional money. Part of this came from the Governments of Canada and the United States. Canada is in the same position, but to a lesser degree, thanks to the shrewdness of the late Hon. James Robb. We lent millions on the advice of officials of our Department of Trade and Commerce to Greece and Roumania. In the latter case a very slick trick was put over us by British financiers. After direct Government advances came the billions of bonds unloaded at tremendous profits on American and Canadian investors; that is, money taken directly out of the savings of the American and Canadian masses.

When The Post published this story, and others later, only the thoughtful, far-seeing investors understood and kept out of these securities.

In the last few days we have had what was to be expected—German repudiation morally supported by Britain and openly and strongly by Mussolini and Italy.

Miller Lash, K.C., speaking of the way in which the public are misled by propaganda, at the annual meeting of Bank of Commerce, referring to the troubles of bankers, spoke of the outside distraction nowadays. He said, "The chief of which seems to me to be in the enormous flow of advice and opinions that is poured out on all of us by so-called financial experts or economists, most of which does not seem to us roughnecks to have much practical application. The written stuff we can avoid by not reading it, but we are all more or less familiar with the man with a glare in his eye who insists on telling us all about the silver question, for instance, touching lightly at the same time on Manchuria and reparations, invisible imports, and things like that. It is all very impressive unless one happens to have read the same magazine article that he has."

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

JAPAN AND CHINA

NATURALLY all eyes are turning to the Far East and even reparations and war debts take second place to the Japan-China crisis. Sympathy is about equally divided between the stoical, compromising Chinaman and the keen, eager Jap, which is fair evidence of Canada's neutrality in the present quarrel.

Japan is pursuing economic warfare with military weapons. Its well defined plan to overwhelm Asia is being pushed rather vigorously under rather thin disguises. At the moment there may be more of an understanding with Soviet Russia than appears on the surface. If China were a nation instead of just an area there might be much sympathy with her position. But what is China? Is it the army of Chang-Kai-Shek? Is it the hardworking land-workers who are largely ignorant of what is going on now? Is it the student group with their fiery hate for all foreigners, Caucasian or Polynesian?

* * *

FEW of those who have some sympathy for Japan's economic aims have any sympathy at all for the devil-may-care diplomacy of her military leaders who have overridden popular leaders to win support for their campaign.

The East is in foment while the West is still trying to unravel the problems created by a great war that is more than just a memory. Neither Japan nor China is financially girt for war. They can hardly carry on their little war for long without economic smash-up for themselves even if the Western powers stay on the sidelines shouting purely verbal protests. Around the corner in both China and Japan lurks communism.

* * *

THERE is little that is pleasant in the picture. One thing is certain; Japan cannot end a Chinese boycott by military means. Conquest will not alter the underlying feelings of a race that thinks in terms of centuries. It is hard to see what Japan can hope to win out of its fight.

To some of the politicians of the big powers the Far East trouble is not as embarrassing as it looks on the surface. It provides an alibi for many unrelated mistakes and an incentive for political measures that would otherwise be unsound economics. One cannot yet foretell how far the world's economic and political machinery may be set back by the turmoil in the Orient.

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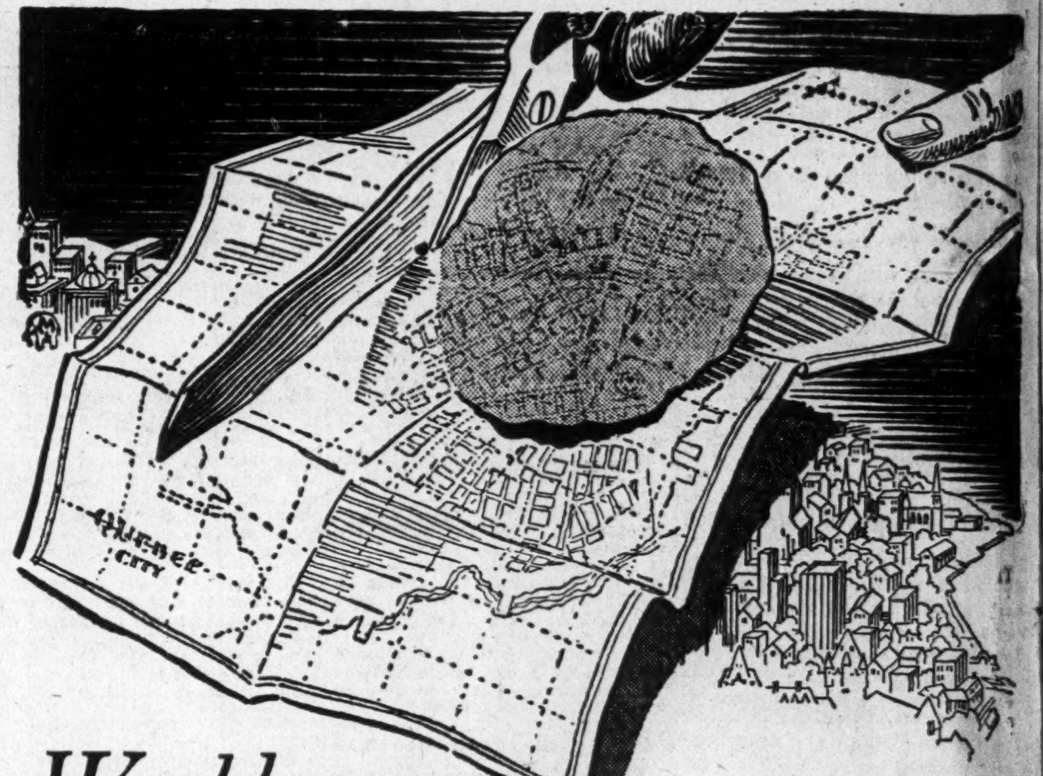

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THE Quebec City market for your goods is really two markets—served by different newspapers. The English-reading section is richly fruitful for those advertisers who cultivate it through the pages of the Chronicle-Telegraph.

The readers of this paper—the only English daily newspaper of Quebec—include not only those whose origin is English, but also many influential persons of French extraction. Leading business men, industrialists, wholesale and retail merchants, professional men, and families of real buying power read the Chronicle-Telegraph, no matter what the language of their birth, because it serves their need for modern, authentic news of the world to-day, and of the New Quebec.

To cover Quebec City you need to advertise in at least two newspapers—one or more French papers and the Chronicle-Telegraph, which reaches a rich section of your potential market.

PURCHASING POWER

In the most recent industrial census, 251 Quebec industries reported a combined capital of $69,857,968 and a total production valued at $44,608,105; they were employing 10,243 people and paying salaries and wages, amounting to $9,747,565 per year.

Chronicle-Telegraph
QUEBEC CITY

For advertising rates in the Newspaper of New Quebec address E. G. Smith, General Manager, Quebec, P.Q.

Business Conditions in Canada

The Week in Business

Weir Discusses Crop Prospects
How Parliament Can Help Business
What U. S. A. Tax Increases May Involve

THERE can be little doubt that at least three vital considerations are uppermost in the minds of Canadian business men as they attempt to appraise the outlook for 1932. One of these is the international situation; another is commodity prices and a third is the 1932 crop prospects for Western Canada. Obviously these three are in many ways hopelessly interwoven as far as Canadian business is concerned, and as yet there is little to give hope that any one of them are going to stage a comeback in time to be of any real assistance for the present year.

As to crop prospects, Hon. Robert Weir made a few pointed remarks when addressing the Toronto Canadian Club this week. He told his listeners that moisture in the top five feet of Western soil was now less than at any time for which records are available, but he also said that the really crucial test would come in June since, if there was adequate rainfall then and an absence of hot winds, a good crop could be harvested in spite of lack of subsoil moisture.

* * *

QUITE apart from a settlement of international affairs that would pave the way to a recovery in prices and in world trade and business, the Canadian situation has undoubtedly been hampered by the uncertainty caused by tariff and valuation changes which have been following one another week after week and day after day for many months now. Many retailers and large concerns still continue to find this one of the most hampering features of the Canadian business situation, and uncertainty of exchange and consequently of the ultimate price at which goods can be bought and sold seems still to hang heavily over the 1932 situation.

In the opinion of a growing body of business men there is much that the Federal Government officials could still do to eliminate this uncertainty. It is to be hoped that the important session of parliament, which opens this week at Ottawa, will alleviate rather than aggravate this situation. If so, it would be doing a very real service to business

* * *

AND speaking of parliaments, advance forecasts from reliable sources as to what is now facing United States business at the present time by way of increased taxation, are of real interest to Canadian business. Here is the way the situation seems to be lining up in that country at the present time:

Income tax exemptions will not be lowered; surtaxes and inheritance taxes will be doubled to a 40 per cent maximum; gifts taxes will be levied to a 40 per cent maximum; 10 per cent tax on theatre admissions above 50 cents; increase of tobacco taxes without specific attention to cigarettes; imposition of new income tax rates will be applicable to this year's income.

These things are also said to be possible: Increase of ordinary income tax rates from 1½, 3 and 5 per cent to 2, 4 and 6; automobiles, 3 per cent; a sales tax on radios. The Mellon proposal for taxes on bank cheques and telephone and telegraph messages is said to be definitely out.

Hudson-Essex of Canada

Hudson-Essex of Canada, Ltd., whose new plant at Tilbury, Ont., is already producing made-in-Canada Hudson and Essex cars, announce the appointment of the Ronalds Advertising Agency, Ltd., to handle their newspaper and magazine advertising for the Canadian market this year.

VEGETABLE MEN SEEK OVERHAUL FEDERAL TARIFF

Growers, Jobbers Urge Government to Change Plans in 1932

OBJECTIONS RAISED

Fruit and Vegetable Men Say Orders-in-Council Are Injurious to the Business

From Our Own Correspondent

OTTAWA.—Widespread dissatisfaction with the fruit and vegetable tariff of last season probably will result this session in a general overhauling of this schedule of the Tariff Act.

Strong representations to the Government have been made by the Canadian Fruit and Vegetable Jobbers Association — which includes the growers — and cabinet ministers have given every encouragement to these representations.

Want Parliament Control

The association not only desires lower tariff but desires the control of seasonal duties to be returned to Parliament. Last season, the government dealt with fruits and vegetables under the amendments of 1930. Seasonal duties were fixed by order-in-council, and removed in the same way.

The trade suffered severely because the dates when duties were to be imposed and removed were not known beforehand, and many merchants lost heavily. The growers recognize that the handling of the tariff was injurious to the jobbers and are quite ready to agree to seasonal tariffs fixed in advance by statute.

Growers, Jobbers, Co-operate

This industry differs from many others in that growers and jobbers co-operate. Both realize that their functions are essential to the general prosperity of the industry. Growers could not live without jobbers, and jobbers could not survive without the co-operation of growers. And for the reason that jobbers could not set up in business only for the seasons in which home grown produce is on the market, but must stay in business all the year, handling imported produce in the off-season months, co-operation in all phases of the business is essential.

The programme agreed to by the Jobbers' Association includes:

1. Restoration of the tariff to control of Parliament.
2. Fixing of duties on a specific instead of an ad valorem basis.
3. Repeal of orders-in-council affecting exchange rates.
4. Imposition, by Parliament, of high duties in the normal seasons of domestic production, and of revenue duties in the off season.
5. Fixing of average weights of imported fruits and abolition of present discriminatory system of administration.

Sudden Changes Harmful

Most of these items are self-explanatory. Order-in-council tariff changes hit the trade because no one knows when they are coming and merchants frequently are caught.

The matter of uniform weights concerns administration. At some cities the inbound shipments are accepted and cleared on railway weights. In others the boxes of fruit must be stored till weighed. As the fruit is packed in ice, the result often is wet boxes and heavy weights. This means higher tariff. So much so that Montreal importers frequently can ship to Ottawa and undersell local merchants. Toronto importers, often, can undersell merchants in neighboring towns and cities and so on.

It seems likely that the Government will accept the recommendations of the association.

January Indices Not Auspicious

	Canada	United States
Commodity Prices:	Unseasonable weather strengthens wheat prices.	Break in dairy, poultry prices lowers farm price index 3 points.
Iron and Steel:	No seasonal upturn yet except small demand from auto firms.	U. S. Steel reports smallest monthly quarterly and annual earnings in history.
Foreign Trade:	Valuation of pound for duty purposes till Feb. 15 set at $4.06.	Exports for 1931 total $2,423,750,000 against $3,843,181,000 in 1930.
Car Loadings:	Third week loadings 14.5 p.c. below same week in 1930.	Years loadings off to poor start as compared with 1931.
Employment:	January decline about on level of average seasonal trend of past 10 years.	Amicable settlement of 10 p.c. rail wage cut of far-reaching significance.
Stock Market:	Market indices at new low levels—trading listless.	Stock market still in waiting mood—"war" stocks stronger.
Week's Highlight:	Lower prices stimulate buying but defer stability in industrial activity.	Increased activity noticed in small plants despite lack of recovery in major groups.

Petroleum Imports, 1931 Top Last Year's Mark

Key Index of Refining Industry Shows Remarkable Stability in 1931

Records of Canadian business for 1931 are gradually becoming available and in spite of the fact that the general level of industrial production was lower than in 1930 by approximately 15 per cent, here and there are figures which show a reversal of the trend of general business.

One of these which just managed to break even with 1930 and which apparently maintained the tremendous growth of 1928 and 1929, was the oil refining industry.

So far the only official figures which give a clue to operations in this vital industrial group (which in 1930 employed over $70,000,000 of capital and produced products worth $92,000,000) are the monthly records of crude petroleum imports into Canada, and the production of crude in the Turner Valley field.

Over Billion Mark

Three years ago these imports topped the billion gallon mark, with imports in 1929 of 1,057,526,000 gallons. This meant an increase of no less than 23.4 per cent over 1928 imports, which in turn were 25.2 per cent higher than the 1927 figures. In spite of depression, 1930 managed to almost maintain the record of 1929 and imports for that year reached the splendid figure of 1,012,000,000 gallons, which was only 4.3 per cent behind the 1929 record.

Then along came 1931, and in spite of everything, imports for the twelve month period ending December 31, 1931, just nicely topped those of 1930, with a gain of .5 per cent, or a total gallonage of 1,017,771,000..

Turner Shipments Up

Added to this is a 4.5 per cent gain in crude naphtha and crude oil shipments to refineries by the various producing wells of the Turner Valley field during 1931, as compared with 1930. These shipments for the past year totalled about 46,000,000 gallons and although this is only a small percentage of the total imports, yet it constitutes the bulk of Canadian production.

Figures of crude production and imports are not a perfect barometer of the refining industry, but at least a study of the monthly trend of imports of crude, as shown in the table below, indicates that May, June, July and August were apparently the big months of 1931 and that since that time consumption of gasoline and oil (as reflected in imports) has been about on a par with a year ago. It will be noticed that gains were made in 1931 as compared with a year ago in both October and November, while September and December were well below the corresponding figures of the previous month.

Comparative figures of crude petroleum imports month by month in the past five years are as follows:

CRUDE PETROLEUM* IMPORTS INTO CANADA
(Gallons—000's omitted)

	1931	1930	1929	1928	1927
January	58,970	77,730	57,449	51,624	52,222
February	61,700	73,750	45,483	38,995	31,052
March	71,300	65,920	73,025	74,495	56,195
April	47,800	47,140	65,658	22,623	32,480
May	107,210	99,210	51,347	66,703	35,589
June	117,340	110,590	113,028	89,739	93,929
July	98,150	92,550	114,783	74,986	58,739
August	106,070	100,570	117,697	85,937	66,208
September	96,580	105,470	79,580	101,229	77,431
October	97,340	94,740	122,660	95,738	66,941
November	93,141	74,970	149,756	82,711	54,914
December	61,840	69,390	67,060	71,914	58,570
Total	1,017,771	1,012,080	1,057,526	856,694	684,270

* Crude petroleum in its natural state .7900 sp. gravity, or heavier, for refining.

NEW YORK BUILDERS PLANNING WAGE CUT

Twenty-five Per Cent Reduction Scheduled for April First

Builders in New York City are planning to put into effect a 25 per cent wage reduction on May 1, according to an announcement by the Building Trades Employers' Association which held their annual convention there last week.

Approximately 115,000 organized workers in the metropolitan district will be affected according to the New York Times, and the decision is considered of very considerable importance in that other parts of the U. S. usually consider the New York rate as a base in fixing ther pay schedules. Present contracts with labor unions expire April 31, 1930.

Under the proposed wage reductions bricklayers and other outside skilled laborers would be cut from $15.40 for an eight-hour day to $12; inside mechanics, in which class would be placed plasterers, now on a $15.40 basis, would receive $10, and helpers and laborers, now paid $8.15 to $10.12, would get a flat rate of $7. The cuts would bring the pay schedules back to 1923 levels.

"We do not know whether or not we will have strife on May 1," said Mr. Norman, chairman of the board of directors of the association, "but it is certain that members of our association will stand together as a unit to carry out the proposals. Plenty of skilled labor is available here today in some classifications at $7 or $8 a day, and employers who have sought to uphold the existing wage contracts have been underbid constantly by competitors paying less than the schedule."

1931 BANK DEBITS ABOUT 1926 LEVEL

Reflect Reduced Activity and Lower Commodity Prices

Financial transfers in the form of bank debits were lighter in 1931 than in the previous year to the extent of 15.7 per cent, the total of 31,586 million dollars comparing with 37,491 million in 1930, this decline reflecting both the reduction in business activity and the deflation in commodity and security prices. It is lower than any year since 1926.

The contraction in bank debits was most marked in British Columbia, the 1931 total, $1,805,800,000 showing a decline of 22.2 per cent from that for 1930. Quebec, with a total of $10,550,000,000 was 19.7 lower, while Ontario was 11.1 per cent lower at $13,376,800,000. The prairie provinces showed a decline of 17.1 per cent.

Debits in December were 12.4 per cent less than in the same month of 1930, gains being limited to five out of the 32 clearing centres. In the maritime provinces, Saint John showed a gain, the net result for the three centres, however, being a decline of 6.9 per cent. Debits in Quebec were less in each of the three centres, Montreal showing a decline of 23.7 per cent. The drop in the aggregate for the province was 23 per cent. Ottawa alone of the thirteen centres in Ontario showed a gain. Toronto showed a decline of 14.2 per cent, and the total for the province a drop of 6.4 per cent.

Business Briefs

Pound sterling, average value for special duty purposes, effective for entries during the period February 1 to 15 inclusive, is declared by the Department of National Revenue at $4.06.

Car loadings for week ending January 23 at 40,253, cars were 1.2 p.c. higher than previous week but were about 14 p.c. below same week last year. In this comparison coal made a gain of 5 p.c. but other groups were lower, grain being down 24¼ p.c. Loadings for year to date at 118,821 cars were 6.7 p.c. lower than corresponding period 1931. Coal is 15 p.c. higher, livestock, ore and coke supplying only other gains.

Wheat stocks decreased 3,000,000 bus. during week ending January 22 to 196,332,697 bus. compared to 205,758,000 bus. at same date last year. Export shipments from Canadian and U. S. ports were slightly under those of previous week, being 2,628,271 bus. Three weeks shipments total 8,754,056 bus. as against 14,061,204 bus. for same period 1931.

New Industries and Plant Extensions in Canada

Compiled Weekly
By The Financial Post

Sparton of Canada—manufacturers of radios and electric appliances at London, Ontario, will shortly undertake the manufacture of electric refrigerators. Three models will be included in the company's new line and in addition it is reported that the company will also shortly add additional lines in its radio department. No decision has been reached as to whether or not new buildings will be required.

R. G. Dun Cigar Co.—have closed a deal for a new 3-story brick building on York St., London, which will give the company twice its present capacity. This concern is a new-comer to Canada having operated in a King St. building in London a few weeks ago for the manufacture in Canada of its parent company's product. Originally 35 employees were taken on and now 75 will be employed. The company's new building was formerly occupied by Beatty Bros. Washing Machine Co., and was some time ago purchased by London Investments, Ltd. J. W. Murphy is president of the firm and 10,000 feet of floor space will be utilized.

Keystone Co. Ltd.—newly-formed company to manufacture artificial stone in Marmora village, Hastings County. The company is said to be financed by Kitchener, Hamilton and Toronto interests and will acquire and renovate the old Marmora stone mill in order to develop marble deposits found along the Crow River.

Wagner Electric Manufacturing Co.—a new Canadian company subsidiary of Sangamo Co., of Toronto, to manufacture at Toronto, fractional horsepower motors. According to the Toronto Industrial Commission the company has acquired exclusive manufacturing and sales rights to the products of Wagner Electric Corp. of St. Louis, with the exception of their automotive equipment. Operations of the new company will be carried on in the Toronto plants of the Sangamo Co. Production will commence Feb. 15. Alfred Collyer is president of the new Canadian company and Scott Lynn, vice-president and general manager.

Maritime Telephone Toll Traffic Down Last Year

From Our Own Correspondent

MONTREAL.—Maritime Telegraph and Telephone Co. reports 1,456,762 toll calls during the past year. This compared with 1,558,219 in 1930, 1,514,258 in 1929 and 1,386,708 in 1928. The decrease in toll traffic was purely a lack of business offering, for of the business offered a much better showing was made in the percentage completed, this figure being 93.3 in 1931 compared with 92.5 in 1930.

The exception to decreasing toll traffic has been that of traffic to trans-Canada and International points for, despite adverse business conditions, this traffic showed an increase of approximately 40 per cent above that reported in 1930.

U. S. Failures Revised

In an article appearing in the January 23 issue of The Financial Post headed "Canada Fared Better Than U. S. in 1931 Failures" in which commercial and bank failures were reported for the United States and Canada during 1931, based upon statistics compiled by Bradstreet's, it was stated that 26,381 U. S. banks had failed with liabilities totalling $1,475,200,000. These figures have since been corrected by Bradstreet's and the revised figures are 1,555 bank failures with liabilities of $1,425,290,000.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	Weekly Latest 1931	Cumulative Jan. 1 to date 1932	Cumulative Jan. 1 to date 1931
Transportation—				
Car Loadings (Jan. 23)	40,253	47,115	118,821	127,430
C.P.R. gross earn. (Jan. 21) $	2,091,000 $	2,752,000 $	6,096,000 $	$7,757,000
C.N.R. gross earn. (Jan. 21) $	2,625,985 $	3,120,037 $	7,498,464 $	8,948,547
	Monthly 1931	1930	1931	1930
C.P.R. net earn. Nov. .... $	4,774,625 $	4,985,754 $	24,087,291 $	34,483,960
C.N.R. net earn. Nov. .... $	2,084,481 $	2,074,415 $	7,491,999 $	25,778,062
Iron and Steel—				
Pig iron, tons (Dec.)	13,862	38,023	420,038	747,178
Steel, tons (Dec.)	20,969	53,936	673,087	1,009,578
Automobiles prod. No. (Nov.)	1,247	5,407	80,182	148,570
" exports, No. (Nov.)	480	2,663	14,236	41,653
Construction—				
Building Permits (Dec.) ... $	7,397,984 $	15,440,281 $	110,971,410 $	166,379,325
Contracts (Jan. '32) ..... $	12,738,300 $	20,299,100	....	....
Newsprint—				
Production, tons (Dec.)	165,178	184,755	2,220,775	2,504,146
Exports, tons (Nov)	171,151	173,149	1,846,408	2,105,516
Sugar—				
Imports, raw, lbs. (Nov.) ...	70,656,900	62,352,200	752,021,400	769,699,400
Manufactured, lbs.*	124,419,989	108,558,920	920,519,572	876,818,072
Flour—				
Production, bbls. (Oct.)	1,693,925	1,868,575	12,510,606	13,679,945
Wheat, bbls. (Nov.)	476,487	792,271	5,245,914	9,328,660
Other Industrial Indices—				
Lumbering: Plank & board exports mill. bd. ft. (Nov.)	68.18	104.10	881.16	1,394.64
Boots & Shoes pr. (Nov.) ...	1,254,696	1,124,798	16,544,082	16,023,190
Petroleum, crude, gal., (Nov.)	98,140,000	74,970,000	955,549,333	942,393,131
Cotton, imp., raw, lbs. (Nov.)	15,451,000	15,786,000	83,873,602	88,140,000
Rubber, raw, imp., lbs. (Nov.)	2,761,278	4,766,980	51,089,470	61,475,499
Coal, imports, tons (Nov.) ..	1,414,082	1,571,487	12,506,644	16,396,942
Trade—				
Imports (December) .... $	40,289,795 $	60,837,934 $	628,133,576	$1,008,692,778
Exports (December) .... $	53,255,476 $	66,819,668 $	605,430,918 $	885,906,366
Wheat exports, bus. (Nov.) ..	27,452,063	31,217,624	172,508,738	185,530,670
Labor—				
Employment Index (Jan. '32)	91.6	101.7	....	....
Electric Power—Output—				
M. Kilowatt hours (Nov.) ..	1,387,317	1,515,403	14,920,336	16,261,264
Finance—				
Failures, No. (Nov.)	213	222	2,020	2,163
Failures, Liabilities (Nov.).. $	4,335,646 $	3,295,951 $	49,595,665 $	43,861,466
Bank Debits (Dec.)† ...... $	2,638,122 $	3,012,223 $	81,586,468 $	37,491,302
Bond Sales (Dec.) .... $	815,760 $	45,941,154	$1,243,738,939 $	763,022,807
Insurance Sales (Dec.) .... $	47,163,000 $	49,874,000 $	489,312,000 $	568,056,000
Automobile Financing:				
Used Cars (Dec.) .... $	989,197 $	2,340,784 $	21,054,235 $	34,367,448
New Cars (Dec.) .... $	816,612 $	612,978 $	20,860,871 $	28,610,731

*Four weeks' period Nov. 14 to Dec. 5.
†(000's omitted).

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ASBESTOS CORPORATION LIMITED
REORGANIZATION PLAN

CANADA CEMENT BUILDING
MONTREAL, CANADA, January 27th, 1932

To the Holders of
FIRST AND REFUNDING MORTGAGE BONDS,
GENERAL MORTGAGE BONDS,
PREFERENCE AND COMMON SHARES
of Asbestos Corporation Limited:

Present Position

The undersigned Committee, appointed by the Directors to deal with the revision of the capital structure of the Corporation, has approved a Plan of recapitalization to meet the existing conditions as outlined below.

The burden of fixed charges and dividend requirements has been giving your Directors particular concern. As you know, interest is now in arrears for one and a half years on the First Mortgage Bonds, and for two years on the General Mortgage Bonds.

There is increased necessity to build up adequate working capital if the properties are to be developed to the best advantage and with a maximum of return.

The fixed charges of all the bond issues are too heavy to permit of the payment of interest and the proper conducting of the business, and the Committee consider that all the security holders must face the facts if their respective interests are to be preserved to even a limited extent.

The Asbestos Industry of the world has undergone radical changes, and the asbestos producers of Canada no longer enjoy the relatively exclusive position they did some years ago. The asbestos mines in Rhodesia, with cheap native labor, have been developed to an extent unthought of a few years ago and Russia is again offering large quantities of fibre. Supply has far exceeded demand, resulting in greatly reduced prices and curtailment of output from your properties.

Careful study has been given to the problems confronting this Corporation, and after consultation with representatives of the various classes of securities the conclusion has been reached that it is in the interests of all the security holders to avoid liquidation.

The Plan

To meet the situation, a Plan has been formulated. Some of the outstanding features are:

- (a) To retain the present Company and thus avoid the expenses of incorporating a new Company and the costs and fees involved in numerous transfers of property;
- (b) The underlying Bonds (Thetford-Vimy, Maple Leaf and Asbestos Corporation of Canada) to remain as at present;
- (c) To extinguish the present First and Refunding Mortgage and General Mortgage Bonds and the present Preference and Common shares, substituting therefor new Bonds and/or Shares as indicated below;
- (d) To revise the share capital so as to consist of 300,000 no par value shares; to provide for new First and Refunding Mortgage Bonds (conditionally issuable if required only for the special purposes of refunding the underlying Bonds and to provide additional working capital); and to make a new issue called "General Mortgage Income Bonds" with special provisions regarding interest and other terms as outlined in the Plan;
- (e) The present First and Refunding Mortgage Bondholders to receive $100 principal amount of New Income Bonds and 1 share of capital stock for each $100 principal of their present Bonds and for all interest in arrears;
- (f) The present General Mortgage Bondholders to receive 1¼ shares of capital stock for each $100 principal of their present Bonds and for all interest in arrears;
- (g) The Preference shareholders to receive 1¼ shares of capital stock for each 10 shares of present Preference stock;
- (h) The Common shareholders to receive 1¼ shares of capital stock for each 50 shares of present Common stock.

The above distribution is based upon a survey of the relative merits of the various securities and of the possible future earnings of the Corporation.

Reduction in Capital

The following is a comparison between the present and the proposed capitalization:

Present Issued Capitalisation

Underlying Bonds - -	$ 749,179
First Mortgage - - - -	2,361,000
General Mortgage - -	4,132,300
Preference Stock ($100 par value) - - - - -	7,456,400
	$14,698,879
Common Stock (no par value) -	200,000 Shrs.

Estimated Revised Capitalisation

	Authorized	Issued
Underlying Bonds - -	$ 749,179	$ 749,179
New First Mortgage Bonds	1,500,000	None
New Gen. Mortgage 6% Income Bonds - -	2,361,000	2,361,000
	$4,610,179	$3,110,179
Capital Stock (no par value) -	300,000 Shrs.	101,799 Shrs.

Voting Trustees

Provisions are to be made so that all voting rights attached to shares (other than Directors' qualifying shares) will be vested in five Voting Trustees during the life of the Income Bonds, and the new share certificates, if found advisable, may be issued to the voting trustees for that purpose, in which case voting trust certificates will be issued to the holders of existing Bonds, Preference and Common Shares. The first Voting Trustees will be:

A. P. S. GLASSCO,
Secretary and Bursar of McGill University.

JAMES HUTCHISON,
Riddell, Stead, Graham & Hutchison, Chartered Accountants.

W. WYNNE ROBINSON,
Manager, National Trust Company, Limited, Montreal.

ARTHUR F. WHITE,
Vice-President, The Canadian Bank of Commerce.

ARTHUR B. WOOD,
Vice-President, Sun Life Assurance Company of Canada.

These gentlemen are acting at the request of the Directors and with the approval of holders of substantial amounts of the present First Mortgage and General Mortgage Bonds and of Preference and Common Shares.

Co-operation of Important Interests

The Plan has been submitted to the Bankers of the Corporation who have expressed their willingness, if the Plan is carried out, to make banking arrangements with the Corporation which the Committee considers will be satisfactory.

The Plan has also been approved by the Committee representing First Mortgage Bondholders, and the Committee of the General Mortgage Bondholders, which held proxies from the holders of a large majority of these Bonds for the purpose of authorizing a waiver of default in interest, has unanimously approved and recommended the general outline of the Plan and in particular the distribution of new securities and the proposed management and control. Holders of large amounts of all classes of the Bonds and shares have also assured the Committee of their support.

General

The Committee believe that with the return of normal conditions and given reasonable time to receive the benefits of the reorganization, the Plan will permit of profitable operation. The proposed recapitalization will put the Corporation in an exceptionally strong position to compete for its full share of all desirable business.

A Deposit Agreement has been executed by the Committee and lodged with the Depositary (The Canadian Bank of Commerce). Security holders become parties to the Agreement and participate in the Plan by depositing their securities with the Depositary as per instructions furnished by the Committee. The Canadian Bank of Commerce will, in due course, issue to each depositor an appropriate Deposit Certificate. There will be no expense to Depositors in connection with the Plan except for insurance and postage on their securities. The general expenses in connection with the Plan are to be assumed by the Corporation.

The Committee strongly urges all security holders to study the Plan and Agreement and thereafter to complete and forward the Transmittal Letter, accompanied by their securities endorsed as required, to the nearest Depositary. The members of the Committee have no hesitation in expressing their conviction that the support of the Plan by the prompt deposit of securities is in the best interests of all the security holders.

On behalf of the Committee,
ROBERT F. MASSIE, *Chairman*

Committee:

ROBERT F. MASSIE, *Chairman*
President, Asbestos Corporation Limited
President, Dominion Fire Insurance Co.

CHARLES W. COLBY,
Director, Asbestos Corporation Limited
Director, The Canadian Bank of Commerce

KENNETH T. DAWES,
Director, Asbestos Corporation Limited
Vice-President, The National Breweries Limited

Secretary to the Reorganization Committee
J. A. MARCOTTE

Applications for copies of the Plan and the Deposit Agreement should be made to the Secretary at the above address or to The Canadian Bank of Commerce at its branches in Halifax, Quebec, Montreal, Toronto, Winnipeg, Vancouver or to The Canadian Bank of Commerce, 2 Lombard Street, London, E.C. 3, England, or to the Agents of The Canadian Bank of Commerce, at Hanover Square and Exchange Place, New York City.

FANNY FARMER DIVIDEND RATE TWICE EARNED

Expected to Show Some $1.90 Earned Per Common Share

SALES DOWN 9½ P.C.

Redeemed 1,510 Shares of Preferred in 1931; Working Capital is Higher

Fanny Farmer Candy Shops, Inc. is expected to show earnings of approximately $1.90 per common share for the year ended December 31, 1931 after deduction for tax and preferred dividends. The annual statement will appear about February 24 and the annual meeting will be held on March 4. On this basis preferred dividends of $2.40 per share have been met by a wide margin and dividend of $1 per share paid on the common stock has been practically twice earned. In 1930 the company showed earnings of $2.45 per common share.

Dollar sales in 1931 were down some 9½ per cent below the 1930 total of $3,841,034. On this basis the 1931 volume was approximately $3,476,000. Price of candy was not reduced except in the relatively few stores operated in New York. The company closed its year with 145 stores, a net increase of two stores during the year although several stores were opened and several were closed.

Liquid position has been maintained and it is officially stated that working capital has been improved. The company has always kept a large part of its current assets in cash and an equally large amount in high grade bonds while inventories are comparatively low due to the type of business done. Bonds are those of governments and municipalities and, since during the past year, bond prices have shown considerable decline, it is probable that the company may have to write down the value of its investments by a fairly large amount. Eventual improvement in bond prices can be expected however and cash position of the company has always been sufficient to obviate the necessity of liquidating its investments to secure cash.

During 1931, the company took advantage of stock market conditions to buy in additional preferred shares as well as some of its common shares. At December 31, 1931, it is stated that only 15,757 preferred shares remained outstanding with the public of an original issue of 30,000 shares. A total of 7,624 preferred shares have been redeemed of which 1,510 were redeemed during 1931, while 6,619 shares are registered in the name of the company, an increase of 329 shares for the year. Some 423 shares of common stock were bought in by the company during 1931 and retired to the treasury.

Implement Exports Down 71 Per Cent

Exports from Canada of farm implements and machinery during December had a total value of $111,105 as compared with $146,470 in November, and with $566,811 for December, 1930. The total for the year is thereby brought up to $3,455,568 as against $11,823,580 for 1930, a decline of almost 71 per cent.

Value of exports to the United States were almost three times the value sent to Great Britain, the respective figures for the year being $1,030,294 and $396,017. Among other large customers are France, Irish Free State, Germany, Australia, and South Africa.

MARITIME LIFE HAS INCREASE IN INCOME

Business in Force Now Totals $12,362,000, an Increase of 8.9 p.c.

From Our Own Correspondent

MONTREAL—New business issued during 1931 of $2,548,460 making a total insurance in force of $12,362,126, an increase of 8.9 per cent, was reported at the annual meeting of shareholders of the Maritime Life Assurance Co. The total premium income for the past year amounted to $328,155, compared with $303,801 for the previous year.

Assets increased 19.7 per cent to $1,169,191. Of the total, $775,324 is invested in bonds, debentures and stocks; $207,944 in first mortgages and $53,852 in policy loans which compare with a similar item of $27,784 a year ago. Excluding capital paid-up of $250,000 and allowing $71,243 as the amount reserved to adjust investments to values fixed by the insurance department at Ottawa, the company shows a free surplus at the end of the year of $596 as compared with $14,221 a year ago.

At the annual meeting J. H. Winfield was added to the board of directors.

Comparative figures on leading items are as follows:

Business	1931 $	1930 $
Ins. issued & revived	2,548,400	2,951,603
Ins. in force	12,362,128	11,353,986
Income		
New prem. inc. (net)	56,609	56,058
Renewal prem. (net)	221,372	194,365
Int. on investments..	51,882	44,479
Assets, Etc.		
Bonds, debs. & stocks	775,324	692,672
First mortgages	207,944	181,499
Policy loans	53,852	22,784
Free surplus	596	14,221

Ontario Loan & Debenture Assets Increased $860,000

Assets of the Ontario Loan and Debenture Co. increased by $860,000 during 1931.

Reviewing this company's annual statement in the last issue The Financial Post made an unfortunate error in stating in the sub-head of the article "Assets Down $860,000," although the body of the article made it clear that assets were higher by this amount.

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LAURA SECORD SALES INCREASE SINCE PRICE CUT

Surplus Was Increased By $80,694 in Last Quarter of 1931

Despite a decrease placed in effect early last October on the price of candy sold, Laura Secord Candy Shops Ltd. experienced an increase in dollar volume of sales during the last quarter of 1931 over $17,000 as compared with the corresponding quarter in 1930 when sales were reported at $598,755. Continued improvement in sales during the current fiscal year is also anticipated, according to F. P. O'Connor, president of the company, in a letter to shareholders with which the quarterly statement of the company was enclosed.

In the first quarter of the current fiscal year, the three months ended December 31, 1931, the company increased surplus account to $917,438 from $836,744 shown at September 30, 1931, a gain of $80,694 after payment of dividends. Current assets at $1,522,353 compared with $1,431,789 at September 30 while current liabilities dropped to $54,617 from $55,593, due to drop in reserve for income tax. Working capital was therefore up to $1,467,736 from $1,376,196.

Among current assets, cash has been increased to $201,287 from $153,067 and inventories are up to $87,791 from $78,194. Government, municipal and public utility bonds at book value which is less than market value are carried at $1,151,210 as compared with $1,115,385 at September 30, 1931, while investment in associated company, Fanny Farmer Candy Shops Inc., is shown at book value of $82,065 which is less than market value.

Land, buildings, plant and equipment are carried at $723,313 less depreciation reserve of $380,924 which has been increased by $10,746 during the quarter. Mortgage receivable is carried at $6,869; deferred charges at $4,908 and goodwill at the usual $1. Other than the $54,617 of current liabilities there are no liabilities except 57,500 shares of common stock carried on the books at $904,464. This value is exceeded by the surplus of $917,438.

C. A. DUNNING NEW PRESIDENT ONT. EQUITABLE

Business in Force of Waterloo Company Now Totals $53,678,000

Announcement of the appointment of Hon. C. A. Dunning to the presidency of the company in succession to S. C. Tweed, featured the annual meeting of Ontario Equitable Life and Accident Insurance Co. at Waterloo last week. Shareholders of the company were told frankly that this change had been brought about due to differences of opinion between Mr. Tweed and other directors of the company.

Following Mr. Tweed's resignation from the position of managing director of the company a few months ago, his health became impaired and in order to simplify internal changes in the company which were considered necessary, he relinquished active control of the company which he founded. On January 20 of this year Mr. Tweed sent in his resignation to the board as president, which was accepted. The new changes were ratified unanimously by shareholders and a retiring allowance was voted to Mr. Tweed as an appreciation of his services to the company.

New Business Lower

Business issued and revived during the year is considerably lower than a year ago at $7,119,296 but offsetting this, according to officials, the company, during 1931, definitely placed itself in a position of earning power from an underwriting point of view. Total business in force at the end of the year was $51,356,000 as compared with $53,678,000 a year ago.

The most important changes in the company's balance sheet are the transfer of $125,000 from surplus account to investment reserve and in addition $153,082 has been written off the company's investment account. The company has declared a semi-annual dividend at the rate of 2 per cent on its capital shares as compared with 3 per cent previously.

Total assets now amount to $8,125,140 as compared with $7,816,487 in 1930.

Commenting on the change in the company's surplus account, M. J. Smith, general manager, says:

"In connection with bonds and debentures in default, we wrote off for statement purposes $153,082.42, though we hope for recoveries therewith. Besides, we set up an investment reserve of $125,000. These items added to our surplus remaining of $54,223, exceed our surplus shown a year ago, and indicate something of the emerging earning power of our business. Considered in conjunction with the facts that we did not in 1931 have any income corresponding to the $69,276.23 premium on stock previously mentioned, and that we paid dividends to shareholders of $39,272.64, the results are truly satisfactory and encouraging."

Announcement was made at the annual meeting of the appointment of E. H. McKinney, of Hamilton, as superintendent of agencies for the company.

Comparative figures of leading items for 1931 and 1930 are as follows:

Insurance	1931 $	1930 $
Bus. issued & revived	7,119,296	10,241,877
Ins. in force	51,355,672	53,677,199
Income		
Prem. income (net).	1,334,781	1,390,894
Interest, rents, etc. .	405,793	441,053
Assets, Etc.		
Mortgages	3,567,111	3,602,159
Bonds & debs.*	2,391,699	2,356,815
Policy loans	1,257,731	1,015,704
Investment res.	125,000	....
Surplus	54,223	318,577

*At amortized book values. For 1930 figure includes securities in default at market value.

P. E. I. Silver Fox Industry

A survey of the silver fox industry in Prince Edward Island shows that up to January 8, 25,943 silver fox pelts approximately, have been shipped through Summerside this season, valued at more than $1,000,000. This is well in advance of any previous year. The Fox Breeders' Association has handled about a hundred per cent more than in the previous season.

Imperial Oil Listens To Sarnia's Plea

Imperial Oil, in following out a well-considered reorganization plan, proposed to move part of the accounting department now at Sarnia to Toronto as it believed that more economical and efficient administration would result.

But Sarnia did not like the idea as many of the officials referred to were active and good citizens of the town. It did not want to lose them, and various public bodies have made representations to Imperial Oil, asking that the move should not be made, if possible.

Imperial Oil, after considering the dislocation that would result from so many being removed to new surroundings, has at length decided to leave matters as they are at Sarnia for the time being at least. It is likely that the plan will not be renewed as far as Sarnia is concerned unless it becomes really urgent for the sake of economy and efficiency.

MELCHERS CUTS CAPITAL ACCOUNT WITH WRITE OFFS

Small Profit Shown on Operations for Last Year

From Our Own Correspondent

MONTREAL.—Write-offs totalling $829,692 are indicated in the financial statement of Melcher's Distilleries, Ltd., for 1931. After deduction of $2,948 at credit of surplus at the year end, there has been charged to capital acount the sum of $826,744.

Profit and loss figures show the troubles which confronted the company last year. A temporary improvement in export business, following the agreement among distillers earlier in the year, enabled the company to liquidate $140,000 of bank loans.

Small Operating Profit

Operating profit in 1931 was $495 compared with a deficit of $2,897 in 1930. It is pointed out that the figure for net profit is arrived at after deducting from cost of sales the sum of $37,352, representing the difference between the book value and the estimated replacement value of Bourbon whisky sold during the year; this amount has been charged against the reserve for depreciation of inventories. In the case of all other sales, book values, before adjustment, of the goods sold have been charged to cost of sales.

Following is a comparison of income accounts for the past two years:

	1931	1930
*Oper. profit	$495	†$2,897
Class A divid.	....	150,000
Surplus	$495	‡$152,987
Prev. surplus	6,053	§138,258
xTaxes	3,600	16,590
Divid, revoked	....	50,000
Loss	....	636
Adjustments	....	12,081
Balance c. f.	$2,948	$6,054

*Before depreciation.
†Net loss.
‡Deficit.
§Subject to income tax.
x Applicable to prior periods.

Working Capital Sharply Off

Reflecting chiefly the sharp reduction in inventory values, working capital is lower by $649,713 at $572,266. Ratio of current assets to current liabilities, however, is only slightly below the 3.6 to 1 reported at the end of 1930.

On the assets side of the ledger, inventories are lower by $786,120 at $763,497, and accounts receivable have dropped $68,000 to $51,363. Cash is higher by $15,000 at $34,658.

Fixed assets are valued at $1,437,409; a decrease of $106,000; no depreciation has been provided for in 1931. Goodwill is unchanged at $1,555,200, and total assets show a decrease of $1,007,000 at $3,847,735.

Bank Loans Reduced

In liabilities, bank loans have been reduced to $250,000 from $390,000. Bills payable are down $56,000 at $17,154 and a deposit under contracts of $10,000 makes its first appearance. A mortgage of $4,000 shows a reduction of $625, while a sundry item of $16,177 represents provision for estimated losses on uncompleted commodity contracts.

It is in surplus that the widest change is apparent. Capital and surplus, which formerly stood at $4,383,102 has been written down to $3,550,304 through the deduction of $829,692 on account of heavy write-offs in various accounts. Details are as follows:

1. Provision for ullage and shrinkage of bulk whisky	$159,149
2 Writing down of inventories of matured and unmatured spirits, raw materials, manufacturing and other supplies to their estimated replacement value by the creation of a reserve for depreciation in inventories amounting to	495,582
3. Writing off of storage barrels.	107,474
4. Writing off organization expenses and deferred advertising expenses	51,307
5. Provision for estimated losses in connection with uncompleted commodity contracts	16,177
	$829,692
At credit of surplus	2,948
Net charge to capital account	$826,744

Remarks of President

In his remarks to shareholders Victor Marchand, president of the company, said, in part:

"The negotiations in connection with the export trade, referred to at the last annual meeting, were carried to a successful conclusion, and resulted in a substantial export business being done last year. As a consequence of this, we were able to reduce our bank loan by $140,000. At the present time, however, price cutting is rampant and goods are being sold at little or no profit.

"In the domestic business our sales have shown some falling off, due to the depressed state of business generally. We feel confident, however, that compared with other distilleries, we have retained our relative place in the trade.

"From the enclosed balance sheet you will notice a considerable reduction in inventory. This results largely from the writing down of the inventory values of our stocks on hand to present replacement cost. Owing to the lower price of grain prevailing now, we are able to manufacture at substantially lower costs than in the previous years.

"All bad or doubtful accounts receivable have been charged off against profits."

PAGE-HERSEY COMMON EARNED $5.81 PER SHARE

Added $156,586 to Surplus After Depreciation of $178,799

CASH IS HIGHER

No Earnings Available From New Mill; Income From Investments Shows Increase

Page-Hersey Tubes, Ltd. earned $5.81 per share of common stock in 1931 as compared with $10.33 per share in 1930 and thereby covered dividends of $5 per share and added $156,586 to surplus account. Depreciation reserve was increased by $178,799 as in 1930 and cash, call loans and investments increased by some $340,000 while inventories were materially reduced.

Reduction in profits is stated to have been due to lessened demand for tubular products, capital stock tax inaugurated in Ontario and retroactive Federal Income Tax applicable to profits of 1930 but payable in 1931. Erection of a seamless tube plant during 1931 increased plant and building account by $770,655. The method used in this plant is new to this continent and has proven a success. Construction cost was within the original estimate of $2,000,000. No profit was secured from this plant in 1931 since it was opened in December.

Profit Same as in 1927

The income and surplus account of the company shows a sharp drop in operating profit but an increase in interest received from investments, cash and call loans. Net profit for the year of $1,013,739 is the smallest since 1927 when profit amounted to $1,021,600. Regular payment of common dividends at the rate of $5 per share was made and left $156,586 to be added to surplus bringing the total up to $3,557,326.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1931 $	1930 $	1929 $
Oper. profit..	852,350	1,642,558	1,899,692
Int. rec.	161,389	159,108	70,447
Net profit ..	1,013,739	1,801,666	1,970,139
Less:			
Pref. divds..	1,384	2,174	12,444
Com. divds..	855,769	858,789	678,107
Surp. for yr..	156,586	940,703	1,279,588
Add:			
Prev. surp. .	3,400,740	2,460,037	1,180,449
Bal. forward .	3,557,326	3,400,740	2,460,037

Working capital dropped to $4,486,982 as compared with $5,949,737 the preceding year but cash position was improved. Cash on hand and call loans amounted to $1,244,238 against $892,449 shown in 1930; bills receivable amount to $33,462; accounts receivable to $298,720, down from $445,085 shown in 1930. Advances to subsidiaries have been reduced to $346,481 from $397,380; employees bonus fund has been increased to $210,530. Investments in government bonds and other marketable securities is shown at $2,466,253 as compared with $2,477,482 shown the previous year while inventories have been reduced to $1,666,680 from $2,197,545.

Among current liabilities, accounts payable are up to $186,173; bills payable are shown at $65,665; accrued wages at $7,171; dividends payable at $214,137 and reserve for taxes amounted to $107,469.

Real estate, buildings, plant, machinery and equipment are carried at $4,328,598 as compared with $3,557,943 in 1930. Investments in stocks of subsidiary and allied companies remains unchanged at $739,000 bringing total assets to $11,333,963. As a liability against fixed assets, reserve for depreciation on buildings, plant and equipment is carried at $929,150. During the year, further preferred shares were exchanged into common and there now remain only 184 shares outstanding while common shares have been increased to 174,252 shares outstanding against 174,132 shares outstanding at the end of 1930. Surplus account has been increased to $2,500,000 by transfer of $39,963 from profit and loss account which now stands at $1,057,326.

GREENSHIELDS' PLAN APPROVED

Creditors Pass on Proposal as Put Forward by Partners

From Our Own Correspondent

MONTREAL.—Creditors of Greenshields and Co., in bankruptcy, have approved, with some slight modifications, the scheme of arrangement as advanced by partners of the firm for reorganization. Following this approval, which included percentages both in number and values well in excess of requirements, application will be made to the courts for ratification of the scheme.

It was stated at the meeting that voting letters and proxies received in favor of the plan amounted to 87.65 per cent of proved debts in point of value and 87.53 per cent in point of name. The total against was 1.35 per cent of value and 1.81 per cent of name. The remaining 11 per cent was accounted for by those creditors who did not record a vote.

James T. Wilson, chairman of the Ottawa group of creditors, put forward some minor modifications which were adopted. Mr. Wilson told the meeting that the committee had spent nine weeks securing and considering all the information required from the trustee and that they had, as a result, reported favorably to the Ottawa creditors on the proposed plan.

Form Realization Company

The plan of reorganization called for the formation of a realization company. This body will receive 60 per cent of the net profits of the reorganized brokerage firm and will be controlled by the creditors. Unsecured creditors are to receive debentures up to the amount of their proven claims, which will bear interest at the rate of 3 per cent, with this rate to be cumulative from the date on which the assignment was made, namely, October 5.

When the realization company has discharged all the obligations of Greenshields and Co., control will then be handed over to partners of the firm. The plan calls for complete payment of all debts by January 31, 1939, with interest at 3 per cent. Payment by the realization company to creditors will be made at any time as funds become available for the purpose.

Under the new set-up as suggested by the Ottawa group, the new realization company will have a directorate of seven rather than nine, and all directors, after the first annual meeting, must qualify as holders of debenture stock, which is now to be issued. The altered plan also calls for a closer connection between the company operated by the partners and the realization company.

31st Annual Meeting of the Shareholders of the PROVINCIAL BANK OF CANADA

Review of Economic Conditions by the Hon. Sir Hormisdas Laporte, K.B., P.C., President

Analysis of the Bank's Statement by Chs. A. Roy, General Manager. Commissioner-Censor's Report. Election of Directors and Members of the Board of Censors for the Savings Department

The 31st annual Meeting of the shareholders of the Provincial Bank of Canada was held at the Head Office, 221 St. James street west, Montreal, on Wednesday, January 27th.

Among those present were: Thomas Simon, N.P., Baie St. Paul; Terence D. Landry, Caraquet; S. J. B. Rolland, Montreal; H. Gerin-Lajoie, C.R., Montreal; L. J. Codere, Sherbrooke; J. D. de Boucherville, C.R., Montreal; A. Raymond, Montreal; Victor Levesque, Montreal; J. Arthur Cloutier, St. Rose de Laval; F. J. Brousseau, Montreal; Onesime Routhier, Angers; Chs. A. Roy, Montreal; J. A. Turcot, Montreal; L. P. J. Roy, Montreal; Victor R. Blanchard, St. Hyacinthe; L. H. Painchaud, Montreal; J. R. Choquet, Montreal; Paul Favreau, Montreal; Hon. E. L. Patenaude, C.R., C.P.; J. E. St. André, Montreal; Thomas Prefontaine, Montreal; J. U. Boyer, Montreal; J. L. Boulanger, Montreal; R. Ste. Marie, Montreal; P. Ouellette, Montreal; Paul Lacoste, C.R., Montreal; R. Laplante, Montreal; L. Lafrenaye, Montreal.

In addition, the following shareholders were represented at the meeting: Messrs. J. A. E. Audet, Disraeli; Clement C. Avard, Sackville, N.B.; Mrs. Marie-Louise Beaulieu, Edmundston, N.B.; Messrs. J. L. Bergeron, St. Hyacinthe; Jos. Brie, Quebec; Hector Chartier, St. Hyacinthe; Moise Cleroux, Valleyfield; Thomas Curran, Charlottetown, P.E.I.; A. Desrochers, Sorel; Camille Ducharme, Joliette; J. Damase Duclos, Drummondville; Jos. Art. Dufresne, Three Rivers, Que.; Rene Arthur Frechette, Moncton, N.B.; Hon. Just. Antonin Galipeault, Quebec; Chas. B. Howard, Sherbrooke; S. Janisse, East Windsor; G. C. P. McIntyre, St. John, N.B.; A. P. N. McLaughlan, Campbellton, N.B.; Harry H. Muttart, Summerside, P.E.I.; Patrick T. Ryan, Pembroke; Armand Dupere, Chicoutimi; W. F. Carsley, Montreal; Omer Lemieux, Hull, J. Albert Savignac, Montreal, etc., etc.

In the absence of the President, detained at his home by a slight indisposition, Mr. S. J. B. Rolland, First Vice-President, occupied the chair and Mr. Chs. A. Roy, General Manager, acted as Secretary of the Meeting.

After the usual formalities, the Annual Report and the Profit and Loss Statement were submitted to the Meeting.

Review of Present Conditions by Hon. Sir Hormisdas Laporte, K.B.

The year 1931 has been for Canada a second period of decreases in our commercial and industrial life, due, to a large extent, to conditions in foreign countries which are also passing through a severe economic crisis.

The continued drop in the prices of basic materials, chiefly in our agriculture products, has brought new problems to manufacturers, wholesalers and retailers, and has aggravated conditions for the agriculturist.

The crops for the year 1931 were satisfactory in volume. However, the price obtainable will not likely reach 80 per cent. of the figures obtained in 1930. Agriculture, one of our most important basic industries, is in a difficult condition, and should continue to receive special consideration from our governments, who should encourage a better classification of products and the opening of new foreign markets.

The most of our industries, depending also on foreign markets for an outlet for a great part of their production, have had to face many difficulties and were forced to curtail production.

It seems logical to say that, to a great extent, we are feeling the effects of the unfavorable economic conditions prevailing in countries outside of our own. The retrogression in business in the United States and Europe has caused a choking up of our markets and domestic over-production which we are feeling keenly.

The protectionist tendency, manifested by an increase in custom duties, has been a serious obstacle to the exchange of goods during the greater part of the year. However, during recent months its effects have not been as great because of our exchange situation which has contributed to increase activities in our export trade and decrease imports.

The financial markets of the world have been severely tried following certain events, the most important of which was the suspension of the gold standard by England in September last, an event which is likely to cause a deep impression on the economic life of our country.

The depreciation of the pound sterling weighed heavily on the Canadian Dollar which also declined and caused a sudden and notable decrease in the prices of securities with fixed income and common stocks.

The restrictions in force with regard to gold shipments, the cooperation of banks and brokers in view of curtailing the purchase of securities held abroad, the reduction in import from the United States, are all effective ways of preventing a further decline of our dollar on the New York market.

The heavy obligations contracted in the United States by governments, municipalities and even private enterprise, and which will mature in the immediate future, the problems confronting our transportation companies, are actual causes for apprehension.

So far, the country has borne well the effects of the depression. In spite of the huge expenditures for the purpose of providing work to the unemployed, our financial position is fundamentally sound and we are justified in having the confidence that we shall emerge from this period of economic instability ready to face the revival of business which should not be far away now.

The unbalanced budgets of governments, the delay in the settlement in a permanent way of war debts and short term loans by foreign countries, together with political instability, seem to be the chief obstacles to overcome, and it is to be hoped that a solution of these problems will be found in the very near future.

The repeated concessions made by the governments have developed exigencies which have contributed to a steady increase in the debt of the State and municipalities. We must not think only of placing the burden on the State, to give it added responsibilities or overtax it with financial and moral obligations which are not always within its province.

Our country possesses vast resources, but it is still in a stage of development and it is advisable not to hypothecate the future too heavily.

We are glad that the public has stopped to analyze the factors and the causes of the crisis, has scrutinized present conditions and after due consideration has suppressed or greatly reduced its expenditures for luxuries. The prolonged state of unemployment has opened the eyes of many people. We are gradually coming back to temperance in our wants and to the proportioning of expenses to income. These are, moreover, the normal foundation for a stable economic life.

The National Service Loan offered to the public in November last has shown in a convincing manner the confidence which our population has in the future of our country and further indicated that in time of stress our people have unsuspected resources.

Since our last annual meeting we have had to mourn the loss of our Vice-President, Mr. Tancrede Bienvenu, who died in February last. Mr. Bienvenu was General Manager of the Institution for twenty-seven years and greatly contributed to its development. We have lost in him a devoted friend and a wise counsellor.

To fill the vacancy on your Board of directors, caused by Mr. Bienvenu's death we have elected Mr. Alphonse Raymond, well-known Montreal manufacturer, who is also Chairman of the Board of Catelli-Macaroni Products, Limited. Mr. Raymond has given us his full co-operation since he has been on your Board, and we trust his appointment will meet with your approval.

The report of the Board of Commissioner-Censors will be submitted during the course of this meeting. It gives me pleasure to state that the members of this Board have, this year as in the past, given great care and attention to the discharge of their mandate. We thank them very sincerely.

The General Manager will now analyze the annual statement which has been submitted to you.

For the Board of Directors,
(Signed) HORMISDAS LAPORTE,
President.

Analysis of the Statement by the General Manager

Our anticipations for the year 1931 have not been realized, the crisis has continued its march with even more intensity. All classes of society have seen their wealth and income decrease gradually. The manufacturer and the merchant have seen a further slackening in their sale figures; business has been carried on under unfavorable conditions and often at a loss, due to the steady drop in price of every kind of merchandise. The farmer also was considerably affected and his products were often sold for a price below the cost of production.

The banking business has been influenced by these economic conditions, the volume of business was smaller and the yield on securities, as well as the rate of interest on loans, have been lower during the greater part of the year. During October, however, there was a change in the market and money regained its value and interest rates became more profitable.

The report which has been submitted reflects, as did our previous one, a year of depression, with slightly lower profits, but still considered as very satisfactory and shows a greatly increased ratio of liquid assets over last year.

The net profits were $467,639.72 compared with $511,457.54 in 1930. The regular dividend of 9%, representing an amount of $360,000.00 has been paid to shareholders. The sum of $63,761.22 was applied to payment of federal taxes, and $40,000 has been written off Bank Premises. The balance brought forward in the Profit and Loss account remains at $466,861.19. Total assets aggregating $53,216,269.64 are approximately $800,000 higher than last year.

We considered it advisable to increase our liquid assets because of present conditions. We had on hand on November 30th. $29,817,651.88 in cash on hand, cash items, deposits with other banks, Government, Municipal and other Securities and Call Loans, equal to 63% of our liabilities to the public against 58% last year.

The market for Call Loans has not been very active, consequently loans of this nature have decreased a little. The same conditions apply to industrial, commercial and agricultural loans, a decrease caused by the slackening of business and by the gradual deflation which is taking place. This surplus of available funds was employed in the purchase of Canadian Government securities, of which we had over $9,000,000.00 on hand at the end of our year, and of municipal securities which totalled more than $5,500,000.00.

In spite of the fact that conditions during the Fall of the year have not been very favorable to an increase of deposits, because of the delay in marketing agricultural products and the big drop in prices of these products, we had $39,681,727.50 in deposits received from the public, against $41,679,138.93, representing a decrease of less than 5% on the preceding year. This drop in deposits may be attributed to a great extent to subscriptions by our customers to the National Service Loan in November last. Our total number of customers has increased in a very satisfactory manner. The amount of Notes of the Bank in circulation, which varies according to business conditions, aggregated $3,903,441 against $4,169,270 in 1930.

Our operations, as in the past, have been confined to the Provinces of Eastern Canada, Quebec, Ontario, New Brunswick and Prince Edward Island, which are recognized as the most stable in the country.

New branches were opened in Montreal at 150 Notre Dame Street, East, in the "Sauvegarde" Building, and at 1909 Laurier Street, East; in Quebec City at 2, rue de la Fabrique and at Tignish, P.E.I.

We have closed eight sub-agencies at points where the amount of business on the books was not sufficient to warrant keeping these offices in operation any longer. On the other hand, we have opened three new sub-agencies at Plage Laval, St. Didace and Perkins. All our branches and sub-agencies were inspected during the year.

Events of great importance have taken place during the course of the past year with the object of abating the effects of the economic crisis, but if progress has been made, its effects are not yet visible. The settlement, in a permanent way, of the huge debts contracted during and after the war by several European Nations is a problem which seems to be retarding the movement towards a new economic orientation. During the negotiations on this subject, between statesmen and bankers, uneasiness and anxiety have developed abroad to such an extent that the exportation of capital was made on a large scale, causing the depreciation of exchange, a heavy slump in Government and industrial bonds and a further decrease in the price of raw materials and manufactured goods. We are still in a period of readaptation of living conditions, of financial adjustment necessitated by the abuse in the past of credit which had become too abundant and led to frequent and excessive borrowings. Cheap money was a factor which led to this excess in commitments for purposes not always essential.

The causes of the world crisis are so manifold and complicated, and the remedies offered so numerous, that it is difficult to say which will offer the best solution. However, one thing is certain; those who will have consolidated their positions by liquidating or reducing their indebtedness and those who will have lived within their means or, better still, practised thrift, will have no cause for regret.

It affords me pleasure to again testify to the loyalty and efficiency of our officers at Head Office and the branches who have shown devotion in the exercise of their duties during the year. We wish also to congratulate those who during the last two years have taken special courses in view of better qualifying themselves for more important positions. We strongly urge them to continue, in their own interest and in that of the Institution.

I feel that it is my duty to express my appreciation to all those who during the course of the year have favored us with their patronage or with their co-operation, which have contributed so largely to the satisfactory results obtained during the year, in spite of the intensity of the economic crisis.

(Signed) CHS. A. ROY,
General Manager.

Commissioner-Censors' Report

Gentlemen:—

In our capacity of Commissioner-Censors of your Bank, we have the honor to submit for your approval a report on our activities during the fiscal year ended on November 30th last.

Our meetings were held monthly in accordance with your by-laws and at each meeting we have obtained all the information and explanations that we have required.

We have satisfied ourselves by verification that the Securities owned by the Bank, Call Loans, cash on hand and in banks reached, at all times, a sum equal to or above the amount prescribed by your regulations.

We are pleased to see that the results for the last fiscal year have been satisfactory and we recommend that you approve the reports submitted, which show conclusively that your Institution enjoys the confidence of the public.

FOR THE BOARD OF COMMISSIONER-CENSORS,
(Signed) N. PERODEAU,
President.

Election of Directors and Commissioner-Censors.

The present members of the Board of Directors were re-elected; they were: President: Hon. Sir Hormisdas Laporte, K.B., P.C.; 1st Vice-President: Mr. S. J. B. Rolland; 2nd Vice-President: Mr. H. Gerin-Lajoie, K.C.; Messrs. Oscar Dufresne, Joseph Sirois, N.P., J. R. de Boucherville, K.C., L. J. Codere, Chs. A. Roy, Alphonse Raymond.

The Commissioner-Censors of the last term were also re-elected. This Board for the ensuing year is composed as follows: President: Hon. N. Perodeau, N.P., L.C.; Vice-President: Hon. E. L. Patenaude, P.C., K.C.; Mr. J. L. Fortin, Mr. Alfred Lambert, Hon. Raoul O. Grothe, L.C.

Western Empire Life Issues $2,676,000 in 1931

Insurance issued and revived during 1931 by Western Empire Life, was $2,675,733 as compared with $2,930,964 in 1930. Total assets now amount to $2,031,191 as compared with $2,003,663 in 1930. Interest earned during the year was at the rate of 6.77 per cent as compared with seven per cent a year ago. Surplus above liabilities and capital stock is $60,796.

At the annual meeting directors announced payment of dividends at the rate of 4 per cent on the paid-up capital as in previous years and the election of William Harvey, B.L., of Winnipeg.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Safety or Adventure Sought by Investors

Those Desiring Security Seek High-Class Bonds, and Risk-Takers After Higher Rewards Choose Common Stocks

"As long as there is a greedy and ignorant public hoping to get rich quick by buying gold bricks, gold bricks will be forthcoming; and if, instead of curing the public of its greed and ignorance, we try to make the penalties of selling gold bricks severe enough to stop the sellers, we run a serious risk of frightening away the sellers of real gold, and cramping genuine business," says Hartley Withers in the course of his latest book, "Everybody's Business" (Jonathan Cape, 91 Wellington St. W., Toronto; $3).

In this striking way Mr. Withers indicates the double-edged problem that legislators and administrators are faced with when trying to reform financial machinery and methods. The need for reform is urgent and imperative, states Mr. Withers, but the reform has to be done sensibly and at both ends of the problem. It is with the investor's end of the problem that this article is mainly concerned but the investor should understand that in the final analysis he must depend on his own judgment and on his own thoroughness in investigating the worth of a security before he buys it. The government has its duty and the financial newspapers also exist to secure and distribute as much information as possible on securities in which its readers are interested, but the investor also needs to keep his feet on the ground and his head level before every new stock or commodity opportunity given him for investment.

Financing Competition

The rise of the joint stock company in the last 50 years has enabled the saver of money to invest his surplus in companies which he believes will do well. The investing public thus helps to promote enterprises which are as a result increasingly able to supply the wants of the whole public. The investors hope that in supplying these public wants a profit will be made which will create additional income for them and that continuing success will raise the value on the stock exchanges of the stock or bonds which they hold. If the enterprise does not succeed, the money is lost just as much and for the same reasons as though the money had been invested in a grocery, hardware or drug store. The investor enabled too many enterprises to start with his money in the last six years, bringing over-competition and disappearing profits.

The new investor should be chary of new enterprises. There is no record of earnings or accomplishment to guide him and too often he mistakes glowing hopes for assurance of profits and safety for his money. High pressure talk from salesmen often obscures the fact that the new securities offered have not been listed or that there will be no dependable market unless the company succeeds. The mortality among new companies has always been great and many that struggle along without failure do not make quite enough ever to pay dividends. Questions of future management and earning power, to quote Mr. Withers, "are shrouded in mists of obscurity, illuminated only by the names of directors and of the brokers to the issue, concerning which the general public cannot be expected to have knowledge enough to discriminate."

"It is small wonder," he continues "that the path of company creation has been strewn with many failures, though the domination of the joint stock company in all spheres of business life is a sufficient proof that its development has been, on the whole, profitable both to the investing public and to the manufacturing and commercial community."

In the five or six years preceding the stock market collapse in 1929 increasing interest was taken in the theory that conservative investment did not necessarily limit the investor to bonds but that in preferred and common stocks there would be a better outlet for his funds if all investment data were carefully considered. The new investment theory that common shares are safer than fixed interest securities was based on the fact that most leading companies during times of prosperity did not pay all their profits out in dividends. They all found it prudent to keep back some of the net revenue or profits for a growing reserve against unforeseen contingencies, and this led to the theory that common shares are safer than fixed interest securities because the reserves thus created could be employed in investments which would add to revenue and cause the margin available for common stocks to rise steadily. Owing to the depression this theory is somewhat under a cloud. There are many, however, who believe that it will win its way back into general acceptance again when trade becomes more active and profits for many companies will once more take a rising trend.

Greater Risks, High Rewards

Yet the probability that over a long period common shares now obtained will in a number of cases bring returns greater by far than equal investments in fixed return investments would do should not blind the new investor to the fact that the shareholder is the risk-taker in the financial world as distinguished from the bondholder who seeks safety of principal and steadiness of income. The risk is greater in trying to select the right companies and therefore the rewards are greater for those who succeed.

And it is also true that considerable safety can be found in stocks of companies with long records of advancing earnings and which are engaged in production or trade which is necessary and which will in all probability be even more necessary as time goes on. The risk is much greater now than it has appeared for a decade and to some—judging the future by the past—the rewards may prove all the greater as well.

But the new investor should carefully distinguish in his mind securities as to whether they are offering him safety or adventure. But in any case he will have a real appreciation of the respective merits of bonds and shares if he considers the following paragraph taken from Mr. Withers' book:

"The wage-earners' wages are a first charge on the gross profits of industry, and are paid week by week, often long before the work that is being done can have brought in any return. After wages come taxes, rent, salaries and other administrative expenses, then interest on debts to bankers and bondholders, then the claims of upkeep and depreciation—the sums put into keeping plant and equipment in proper condition and providing against the day when they will be obsolete—then the dividend to preference shareholders, if any, then, if the directors know their business, something handsome is put to reserve funds or added to the amount carried forward, to provide for expansion of the business and against adverse turns in the wheel of fortune. And finally, AFTER THE WAGE-EARNER AND ALL THESE SUBSEQUENT CLAIMANTS HAVE HAD THEIR SHARE OF THE RECEIPTS OF THE BUSINESS, THE ORDINARY SHAREHOLDER OR COMMON STOCKHOLDER TAKES WHAT IS LEFT, IF ANYTHING."

Port Arthur Bonds

I hold £200 of Port Arthur bonds and am informed that payment by the city will be paid at the current rate of exchange. With the pound sterling selling as low as it is in terms of Canadian dollars the city must be making a big profit at the expense of British investors. Don't you think that paying Canadians in Canada the current rate of exchange on a Canadian security is sharp practice to say the least?

The action taken by the council of the City of Port Arthur in paying interest and principal of sterling bonds at the current rate is apparently quite legal, although it is against precedent. In 1921, the City Council, faced by an exchange situation similar to that of today, passed a resolution deciding that it would continue to pay interest at par of exchange as this has been done in the past and this policy was followed up to the time the recent resolution countermanded it on December 28, 1931.

While there would seem to be strong moral obligation to continue to make payments at par of exchange, it would seem that the city is within its legal right in paying at the current rate. We understand that the bonds were originally sold in London, and that the provision for Toronto payment was merely a matter of convenience since, at that time, doubtless it was felt that the pound sterling would always remain in a strong position. A number of the bonds have shifted back to Canadian investors who may have been misled by the wording on the bond, and of course, these investors are now being penalized.

A few other Canadian municipalities, and a few corporations, have taken action somewhat similar to that of Port Arthur, and doubtless in the case of the municipalities are within their legal right in doing so. There is, of course, a certain moral obligation to pay and most of the leading Canadian municipalities are living up to this obligation, despite the fact that they might effect considerable savings by following the exact letter of the law. Where a municipality is not in a strong financial position, it might, of course, be warranted in effecting savings which might save it from default. In such a case, it might be wiser to pay interest and principal of its bonds at the current rate of exchange.

Montreal Apts.

I would like to avail myself of your enquiry service to ask for some information on the first mortgage bonds of Montreal Apartments. What properties does the company own; are rentals satisfactory, and do you think interest was earned in 1931?

Properties comprising Montreal Apartments, Ltd., are three high-class, centrally-located apartment houses. At the present time we understand that the properties are rented to about 95 per cent of capacity, which is an impressive showing in these days. Earnings in 1931 were sufficient to cover interest and sinking fund requirements on the first mortgage bonds, as well as other obligations. A point in connection with the bond is that title to the properties is owned by Hon. P. R. DuTremblay and payment of principal and interest, together with sinking fund, is his personal obligation.

Acadia Sugar

I hold a bond of Acadia Sugar Refining Co. and would be obliged if you would tell me how this company has progressed during the past year. Were earnings maintained, and can the outlook for the company be considered satisfactory?

Operations of sugar refining companies in Canada during 1931 were well maintained and sales of Acadia Sugar Refining Co. are understood to have compared favorably with those of the previous year. Though there has been little real improvement in the world sugar situation, which is depressed on account of over-production, Canadian companies have benefitted by tariff action taken in 1930, which has allowed them to strengthen their position in the domestic market. Prices obtained in 1931 were also slightly better than those of the previous year.

Though definite figures on earnings of Acadia Sugar must await publication of its financial statement, it is understood that the company fared at least as well as it did in 1930. In that year bond interest was earned 1.49 times, after depreciation, while the improvement in profits found reflection in inauguration of preferred dividends. In view of the fact that the company has demonstrated its ability to cover its interest requirements and generally strengthen its position in face of difficult conditions surrounding the industry in the past few years, the outlook for Acadia Sugar is not discouraging.

Canadian Power

Please give me details of Canadian Power and Paper Investments Ltd., with a list of the company's holdings. What progress was made in 1931? Are preferred dividends still being paid? I heard that a legal suit had been taken against the company; how will this affect it?

Canadian Power and Paper Investments, Ltd., is an investment trust organized primarily to make investments in securities of hydro-electric, public utility and pulp and paper companies; at the end of 1930 less than 20 per cent of the company's funds were invested in pulp and paper securities. No complete list of the company's holdings has ever been published, but it is understood that a substantial interest in Bathurst Power and Paper Co. is held. Officials of Canadian Power and Paper Investments do not wish to comment on progress made in 1931, pending publication of the financial statement. In view of the general decline in security values, it may be supposed that the value of the company's investments have been reduced and earnings were probably lower than in 1930. In that year the preferred stock earned $3.15 a share against dividend requirements of $2.50, while common share earnings were 33 cents a share. To date, disbursements on the preferred stock have been maintained; directors meet for dividend action shortly, what policy will be adopted remains to be seen.

In October, 1931, a suit for $625,000 was filed against the company by a person seeking payment for obtaining certain rights for power development on the Riviere des Milles Iles. We are informed, however that the company acted only in the capacity of an agent and is fully protected and without any liabilities in this matter.

The financial statement of Canada Power and Paper will be available in February and perusal of this will enable you to gauge the company's position with more accuracy.

Dryden Paper

Please be good enough to outline for me the situation surrounding Dryden Paper Co. What is the outlook for 1932, and has the contract with the Bates Valve Bag Co. been renewed?

The general situation prevailing in the industry served by Dryden Paper Co. does not lend much promise for the immediate future, though it has been officially stated that the company expects to earn its bond interest in 1932. Earnings in the year ended September 30, 1931, were just sufficient to cover bond interest, though no provision was made for depreciation and depletion in that period. Like the manufacturers of newsprint, producers of kraft have been affected by keen competition and low prices; until commodity values show an improvement, there is little prospect of Dryden Paper Co.'s earnings recording an appreciable gain.

The management, however, has demonstrated its ability in lifting the company from receivership; new lines are being developed, and a betterment in conditions in Western Canada, the company's chief market, should find reflection in profits. The company's contract with the Bates Valve Bag Co. does not expire until 1933; as yet, renewal of this contract has not come up for consideration.

A Depreciated List

Our present holdings are as follows: $3,000 Dominion of Canada; $2,000 Simpson's Ltd., pref.; $2,000 London Canadian Corp., bond; $2,000 Consolidated Investment, bond; $4,000 Western Grain and $20,000 in first farm mortgages.

We would like your advice about them, that is, are there any among them we should change, even at the present low price?

We will have considerable new funds to invest, in the near future, and would appreciate selections you would care to make.

Returns for a year or more would not be an essential matter, but on the other hand, we would not be interested in speculative stocks, i.e., we want the principal safe.

The writer is 55, one dependent, a girl, for whom we have insurance with the Sun Life of an amount of $4,000 which will be paid out to her when she is 16 or beginning then, at a $100 per month for ten months each year.

Every one of the companies mentioned in your list is affected by the adverse business conditions now obtaining. London Canadian Corp. and Consolidated Investment invested in a wide range of securities and, therefore, the portfolios have been greatly affected by the considerable drop in market valuation which followed the market crash and has continued up to the present. A recovery in business conditions would be helpful to these two companies in so far as it improved values of securities held.

Western Grain has not done so badly in view of the condition of affairs in Western Canada, but its business for the current year cannot be expected to be as high as that of last on account of the restricted crop. With good management and an improvement in conditions, over a term of years this company has good prospects for being eventually in a better position.

Simpson's Ltd. preferred stock has been amply guarded by earnings in recent years, but the current year's earnings of the company will not be known until after the end of January. With good management, aggressive salesmanship and a policy of expansion this company is well worth watching over a term of years.

As for the new funds which you have to invest, it is not the policy of The Financial Post to recommend any securities to its subscribers. If, however, from a consultation of articles or advertisements in these columns you get interested in any security or group of securities, we would be glad to supply you any available information you ask. Our service is intended to give the information needed by an investor to help him in coming to a decision but not to make his decision for him.

Nickel vs. Brazilian

I hold 25 shares of International Nickel bought at $20 and am considering changing to Brazilian Traction. Can you give me the latest information on this company and do you consider it a good buy at present?

International Nickel's earnings are greatly curtailed at present because of the unusually low level of world business and because the enormous world surplus of copper visible on the market is keeping prices of copper at the lowest point in history for this century. History of the past suggests that in time surpluses of this kind are absorbed and that strongly financed companies like International Nickel have an opportunity to come back in a good way.

Brazilian Traction as a public utility is not subject to such fluctuations in earnings as a mining company like International Nickel is, but on the other hand it is in a foreign country whose currency is by no means dependable. That country has not been able to keep up the service on its foreign bonds, nor to maintain the value of the milreis at anywhere near the point where it tried to stabilize it. The low price of coffee and the enormous stocks which it has to market over years before prices improve also hurt business in Brazil. Brazilian Traction, so far as its earnings in milreis are concerned, has continued to do well through this period of adverse business, but dividends must be considered an uncertainty so long as there is difficulty in buying Canadian dollars with milreis on a good basis.

Recent statements by Brazilian Government cabinet ministers refer to the business situation as improving somewhat and claim budgets have been balanced.

Rolland Paper

Did Rolland Paper Co. earn its bond interest last year? I have been told that fine paper manufacturers have been affected by business conditions rather severely and would like to have your opinion on this company.

Our understanding is that earnings of Rolland Paper Co. were relatively well maintained in 1931 and that bond interest was covered by a satisfactory margin. In 1930, interest was covered more than twice over, after depreciation; interest requirements last year were slightly lower since a sinking fund became operative in June, 1931. The company has done well since its securities were offered to the public in 1928; Rolland Paper, however, had been in operation for many years prior to that date under private ownership. Manufacturers of fine paper are generally sensitive to the business trend, and earnings are liable to fluctuate considerably. In the case of Rolland Paper, however, it is encouraging to note that to date it has survived its ordeal in a satisfactory manner. Given an improvement in business conditions, it should be able to make further progress.

MOST WORLD NATIONS HAVE CANADA TRADE PACT

(Continued from page 3)

Portugal, (August 12, 1914); Roumania, (May 11/24, 1923); Serb, Croat and Slovene Kingdom, (May 12, 1927). The Act stipulates that Canada is to grant these countries as favorable tariff treatment as is granted to any other foreign country so long as Canadian goods are given treatment by such countries as favorable as that granted to similar goods produced or manufactured in the United Kingdom. The aforementioned agreement between Canada and Roumania was afterwards terminated, but most-favored-nation treatment is still exchanged between the two countries under a new arrangement.

Old British Treaties—On account of certain old British treaties, Canada grants most-favored-nation treatment in tariff matters to Denmark (1660-1 and 1670). Argentine Republic (1825), Venezuela (1825), Norway (1826), Sweden (1826), Switzerland (1855), and Colombia (1866). The most-favored-nation clauses in these treaties are applicable to Canadian goods entering any of the countries in question.

Brazil—A temporary trade agreement between Canada and Brazil was concluded by an exchange of notes on December 4, 1931. By its provisions Canada receives the minimum tariff and most-favored-nation treatment in Brazil, and in return Brazil is accorded the Canadian intermediate tariff, pending the conclusion of a permanent agreement.

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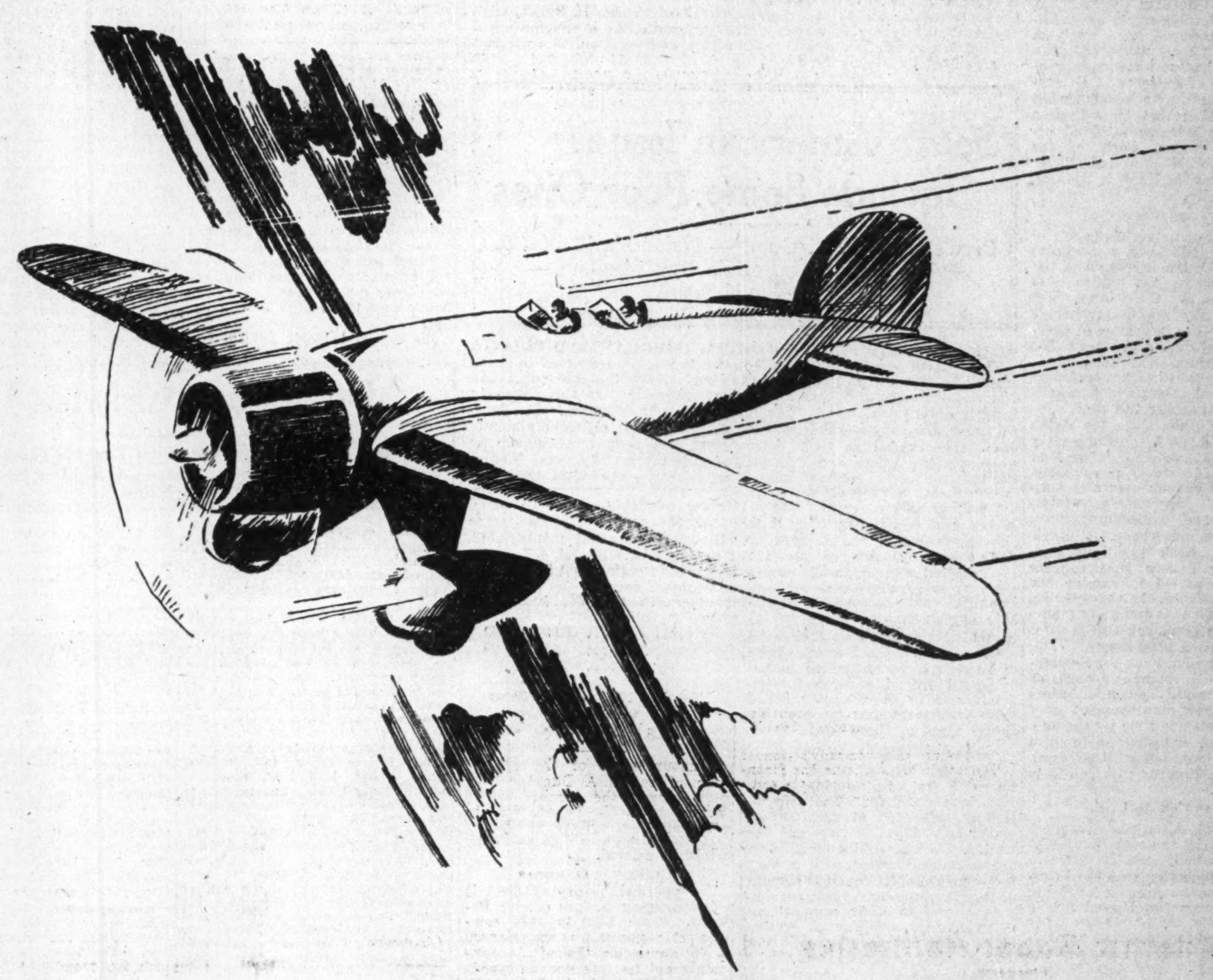

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Wilkinson Company, Ltd.
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25 King Street West
Toronto 2, Ontario,
Canada

INCO NICKEL

BUSY COMPANIES IN SMALL CITIES THROUGH CANADA

Attacking Depression Piecemeal, Many Firms Report Increase

SOME OVERTIME

More Activity in Shoes, Brooms, Chemicals, Coal and Lumber Reported or Expected

Cheering evidence comes that industries in smaller Canadian cities and towns have under present conditions adjusted themselves so successfully that they are getting a fair share of business that is going. There are many reports of mills on short-time but the collection of data from all over Canada may indicate that the depression is being reduced piecemeal, a process that is certain although it may be long in working out.

At Strathroy—although both of the furniture factories have been slack—the Canadian Turner-Day Handle Co. has been very busy, filling orders received from England.

At Sault Ste. Marie, Algoma Steel Corp. had no increase in general volume of business in December as compared with November but it reports that there has been a considerable increase in small orders from various parts of the country. Abitibi Power & Paper Mills plant at the Sault is working at full capacity.

Brooms and Stoves Busy

At Harrison a recent report indicated all industries working at capacity with the exception of the Harrison Stove Co. which was closed down for the winter. The Wellington Produce Co. reports a marked increase in volume of produces handled during the year. The Royal Sterling Products, Ltd., manufacturers of brooms, continues to receive orders sufficient to keep the factory running full time.

At Acton Vale, Que., the Acton Shoe Co. and the Acton Rubber Co. did not close their plants after New Year's for inventory, as expected, as they had enough orders to keep them busy the whole winter. Brampton and Tillsonburg stove factories are quite busy. At Bradford, Ont., stock has been subscribed for a new shoe concern which is expected to employ 120 hand in February. In Georgetown, Ont., boot and shoe and glove plants are steadily employed and textiles and yarns are a little better.

At Shawinigan Falls the Shawinigan Chemicals reports prospects as having improved and that orders on hand show improvement over those of the same time a year ago. In 1931 the industry suffered a great drop in output with prices on all products lowered to a considerable extent.

More Coal to U. S.

Lethbridge, Alta., coal operators are pleased by the fact that Lethbridge coal will probably move in heavier shipments across the International line on account of being exempted from the United States Customs duty except for the 1 per cent provided for under the countervailing duty provisions of the United States Tariff Act. The reclassification of Lethbridge Coal early in 1931 had automatically put a duty of 75c. a ton against it. This is now removed. Salesmen have already been sent into the state of Washington to solicit orders. At Princeton, B.C., coal mines also are working to capacity with payrolls larger than ever before.

Frozen Fish Market Good

The port of Halifax shipped more apples to Europe this season than last. Prices are still low, however. In Nova Scotia and Newfoundland there is a better feeling about the foreign fish market. Brazil especially is showing greater interest. Some heavy shipments were made abroad in January.

Prince Rupert, B.C., is also cheered by the good market in Eastern Canada for frozen fish. Prospects for cleaning up stocks look better than was the case at this time last year.

Drummondville Drew Unemployed

Drummondville, Que., has an exceptional kind of unemployment. The unemployed consist of outsiders who were attracted by exaggerated stories of prosperity of the town. Manufacturing conditions are good, however, with most plants busy and some even working overtime.

At Wiarton the furniture factory worked overtime for 10 days before Christmas to fill some rush orders. Other local factories report receiving satisfactory orders.

At Springhill, N.S., work in the coal mines of Dominion Coal Co. shows improvement.

Silk Mills Get Busier

Operating conditions are reported to be gradually improving at Cowansville, Que., with greater activity reported from three of the largest concerns. The Bruck Silk Mills and the J. J. Barker Sign Co. report business as gradually improving, new help being employed as the New Year opened and larger orders being received.

At Waterloo, Que., all local manufacturing plants entered 1932, working at full time. The Macdonald Metal Products Co. and the Atlas Plywood Corp. had then already been running overtime for several months.

At Valleyfield, Que., the Brupbacher Silk Mill is still operating night and day, but wages have been reduced somewhat. Montreal Cottons, Ltd., report volume well maintained with orders slightly better than usual.

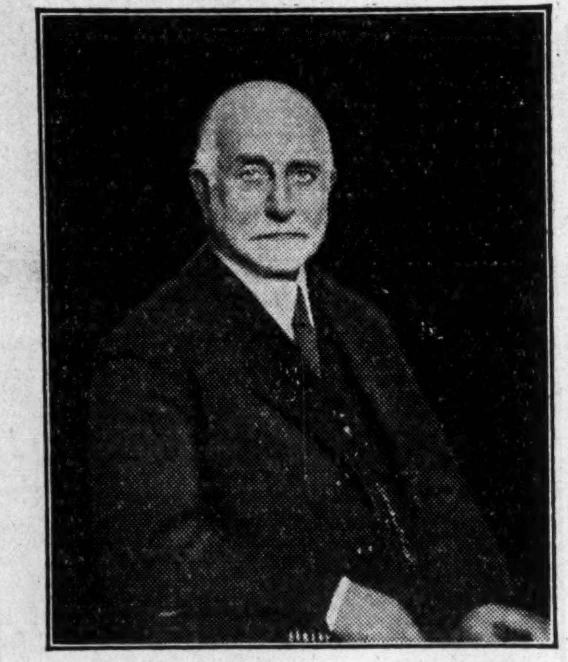
Fox Farmers Discouraged

New Brunswick and Prince Edward Island farmers were disappointed at receiving from Montreal fur sales this year a net of about $26 or $27, transportation, insurance and commission charges taking the remainder of the $30 reported as average price. Some growers state that price received is under cost of raising foxes and predict that many farmers will go out of the business.

The lobster season in Nova Scotia was fairly successful but prices disappointing.

New Brunswick lumber operators expect a fairly busy season. Penticton apple growers expect a larger market in Egypt and Great Britain in 1932 than in 1931.

Fifty Years With Canada Permanent



A feature of the annual meeting of the Canada Permanent Mortgage Corporation was the unveiling of a portrait of George H. Smith, vice-president and general manager of the corporation as a recognition of Mr. Smith's association of fifty years with the corporation. The portrait was painted by Joshua Smith, R.B.A.

South American Issues Include Some Poor Ones

Peru's Record Not Good — Colombia Strives to Avoid Default — Bolivia Undiversified — Ecuador is Small

ARTICLE EIGHT: PERU, COLOMBIA, URUGUAY AND BOLIVIA

Investment interest in South America is largely restricted to seven republics, of which Argentina, Brazil and Chile—the ABC of South America—have been dealt with in preceding articles in this series on foreign government bonds. The remaining four republics, viz., Peru, Colombia, Uruguay and Bolivia, have attracted relatively small amounts of foreign capital as their development has been handicapped by geographic conditions or by the lack of rich natural resources. Nevertheless the external bonds of all of these countries have been purchased in Canada and as their present market price is only seven per cent to 30 per cent of the par value it is only natural that the holders of these bonds should be worried about their investment while others are wondering whether or not certain of these bonds would be profitable speculations if purchased at present levels. The following facts, which are related to the seven tests of foreign bonds discussed in the first article of this series on foreign bonds sold in Canada may be of value in determining the probable future trend of these bonds.

Peru is Fourth Country

The Republic of Peru ranks fourth in size among South American countries. The population is estimated at 6,200,000 of which only about 15 per cent are whites. The remaining inhabitants are of mixed breeds with a very low standard of living. It is obvious at the start, therefore, that we cannot proceed to draw comparisons between Peru and Canada or any other advanced country. We are dealing with a small and little developed state..

Previous to March, 1931, when service on Peruvian external loans was suspended, the Republic had defaulted at least twice with respect to its foreign obligations. Early in its history—in 1822 and 1825—the first default occurred, to be followed by a second series of defaults dating from 1875. At that time the debt of the Republic was larger than at present, and imposed an impossible burden on the country. The story of the subsequent negotiations between bondholders and government makes depressing reading today. Forty years or more later—in 1928—modifications of the settlement were still in progress. While the government may not have repudiated its obligations the many changes in the agreements with bondholders and delays in the payment of arrears have indicated an unfortunate characteristic of the people. In the present instance the official statements of the president and finance ministers have stressed the recognition of all obligations and the desire of the government to comply with all agreements. Under the circumstances, however, one may be pardoned if a somewhat sceptical view be taken of such assurances.

Large Natural Resources

From an economic standpoint, Peru has much in its favor, possessing, as it does, large reserves of crude petroleum and copper and producing sizable quantities of cotton, corn and other agricultural products. Over 80 per cent of all exports consist of the four commodities just mentioned. Petroleum is the most important of these and in this connection it is interesting to note that a Canadian company, the International Petroleum Corporation (a subsidiary of Imperial Oil, Limited) has played a major part in the development of this important industry. Generally speaking, however, development of the country's resources has been slow and, due to the nature of the country is likely to continue at a much slower rate than in Argentine or Brazil.

For many years Peru has had a favorable trade balance. In 1930 the export surplus amounted to $38,000,000 as compared with $58,000,000 in 1929. Due to the lower value of leading export products, exports have declined steadily, thus bringing about the apparent inability of the government to service foreign exchange. For Peru is a debtor nation to the extent of about $500,000,000 aside from foreign bond issues and this debt requires an annual payment abroad of from $30,000,000 to $40,000,000.

Budget Figures Unreliable

In the spring of 1931 Peru stabilized the monetary unit, the sol, at 28 cents where it has remained pegged ever since. The gold reserve of the central bank is exceptionally high in relation to the volume of notes in circulation so that some gold at least could be shipped to pay foreign obligations. The purchase of foreign exchange has, however, been restricted by the government which apparently wishes to retain its gold and maintain its currency at a nominal parity.

Financially, Peru may be either bankrupt or solvent, for the budget figures available cannot be relied upon. The system of accounting is antiquated and easily manipulated. Probably a substantial deficit exists as the floating debt is considerably higher than it was a year or more ago. The total debt is approximately as follows:

External	$108,000,000
Internal	19,000,000
Floating	25,000,000
Total	$152,000,000

This is equivalent to about $25 per capita—if you include the entire population. The service on the debt requires about 43 per cent of government revenues with the sol at par. The burden would of course be much greater if the sol were at a discount—as it would shortly be if no embargo on foreign exchange purchases existed.

Outlook is Obscure

The political history of Peru is a discouraging feature of this Republic. From 1919 to 1930 comparative stability was experienced under the leadership of Augusto Leguia but he was overthrown in the revolution of August, 1930. From that date to October 11, 1931, politics were in a state of complete turmoil. The election on the latter date reinstated a constitutional government under the presidency of Colonel Sanchez Cerro, although a stabilized political scene is still a matter of conjecture.

Political unrest, financial chaos and an unhealthy balance of payments combine to render the outlook for Peruvian bonds exceedingly obscure. This is evidenced by the fact that they are now selling at only seven cents on the dollar. While they may prove to be worth eventually a great deal more than this, other South American issues, also selling at a low figure, would seem to hold much greater promise for the future.

Columbia Not in Default

We now come to the Republic of Columbia, which with Argentine and Uruguay, has so far maintained the payment of interest on its external bonds. President Herrera has announced that "the service of Colombia's foreign debt . . . will be punctually met." This statement applies only to the bonds of the central government, however, as already certain municipal and agriculture mortgage bank bonds are in default as far as payment in gold is concerned. A plan is now being prepared for the issue of scrip to holders of these bonds. In all there are 16 issues of Columbian bonds listed on the New York Stock Exchange. The 6 per cent National Bonds are the only issues held in Canada to any extent. The holders of these bonds are now doubting the ability of Colombia to continue interest payments in the face of the severe depression existing in that country.

Columbia has a population of about 8,300,000 of which only 20 per cent is white. Nearly 80 per cent of the population is dependent upon the growth of coffee for a livelihood. Columbia is the second largest producer of coffee in the world and the largest producer of mild coffee.

Record Not Too Good

Colombia's debt record is not very satisfactory. Loans issued in 1822 and 1824 were in default for several years and a readjustment in the debt occurred in 1911. Since that time the service has been met promptly. While the president is emphatic in his statements concerning the external debt it is said that there are many in Colombia, including members of the administration, who openly approve a moratorium.

Agriculture and mining are the two principal activities of this republic. Coffee, cotton, bananas, sugar, etc., are the chief products of the land, while petroleum, gold, silver and platinum are the leading minerals. Industrial development has been slow. About $400,000,000 has been invested by North Americans in Columbia of which $230,000,000 is direct and the balance in government and state bonds.

Gold Stock Dividends

The currency unit is the peso with a par value of $0.9733 (U.S.). A high legal reserve was formerly maintained but recently the stock of gold has dwindled and the legal reserve has fallen from 80 per cent in 1929 to about 50 per cent at the end of 1931. The government has restricted the purchase of foreign exchange and has curtailed imports. The peso has remained close to par as a result. Colombia has experienced a favorable balance of trade for many years and this surplus is being maintained even in the face of declining coffee prices. In order to balance the interest on foreign investments, however, new foreign capital investments of $15,000,000 to $20,000,000 a year appear necessary.

The total national debt of Colombia has been estimated as follows:

External	$65,000,000
Internal	20,000,000
Floating	24,000,000
Total	$109,000,000

This is equivalent to about $13 per capital. Annual debt service requirements account for approximately 30 per cent of all expenditures. In 1931 the government faced a substantial deficit but new taxes have been levied and it is now hoped that the budget will be balanced in 1932.

Control Exchange Dealings

Colombia has not suffered from political instability to the same extent as her sister republics. President Herrera is a forceful personality and has carried opposing factions with him on all important legislation. The weakness of the political situation lies in the apparent absence of a strong man to carry on the progressive policy of the present chief executive.

Late in December last the government refused to allow the various departments and municipalities to purchase exchange to meet their interest payments which, however, are being deposited with the central bank. The central government is determined to prevent a default on the national loans and toward this end has exercised strict control of exchange operations and has increased important duties from 25 per cent to as high as 600 per cent.

The external bonds of the two remaining borrowing republics of South America, viz., Bolivia and Uruguay, are held in very small amounts in this country and consequently little space will be given to a discussion of their current position. Uruguay is the smallest of all the republics south of the Equator but the population is of a high type relatively and its economic development is advanced. The discount on the national currency (now amounting to over 50 per cent) in terms of United States dollars has added greatly to the burden of the external debt. Severe measures have been adopted to restrict the purchases of exchange in an effort to improve the rate. The City of Montevideo, the national capital, has partially defaulted on its loans through inability to purchase exchange, but full payments have been made to date on the national issues. Future payments will depend largely upon the course of trade which, at the moment, is unfavorable.

All of the external loans of the Republic of Bolivia listed in New York have been in default since January, 1931. While the history of Bolivian financing is not essentially different from other South American countries, its credit standing has been regarded as relatively poor since its resources are confined to tin, silver, copper and bismuth. Over 90 per cent of all exports consist of these minerals, which also produce about 60 per cent of the government revenues. This is obviously an unsound economic condition and is reflected in the present level of Bolivian exchange. The external debt is at present an impossible burden on Government finance, the debt service, if paid, requiring at least 70 per cent of all revenues. Probably the interest on outstanding issues will be resumed at a reduced rate when an improvement in the price of tin and other minerals takes place. Even such payments are likely to be deferred for some time, however.

Next week the outlook for the bonds of Australia, new South Wales, and Japan will be discussed.

Doctoring Charles II

A Letter to Editor of New York Herald-Tribune That Has a Lesson for Canada as Well as for United States

I have condensed the following official medical report of the death of Charles II of England after the devoted attendance of fourteen of the most prominent physicians of the time:

King Charles was being shaved. With a sudden cry he fell backward and had a violent convulsion. As the first step he was bled to the extent of a pint. Next his shoulder was cut into and he was "cupped" for eight ounces more of blood. Next an emetic and purgative were given, and soon after a second purgative. Then came an enema containing antimony, sacred bitters, rock salt, mallow leaves, violet, beet root, camomile flowers, fennell seed, linseed, cinnamon, cardamon seed, saffron, cochineal and aloes. The enema was repeated in two hours and a purgative given.

The King's head was shaved and a blister raised on the scalp. A sneezing powder of hellebore root was administered, and also a powder of cowslip flowers "to strengthen his brain." The cathartics were repeated at frequent intervals and interspersed with soothing drinks of barley water, licorice, sweet almonds, white wine, absinthe, anise seed, extracts of thistles, mint, rue and angelica. A plaster of burgundy pitch and pigeon dung was applied to the King's feet. The bleeding and purging were continued, and to the medicaments were added melon seeds, manna, slippery elm, black cherry water, extract of flowers of lime, lily-of-the-valley, peony, lavender and dissolved pearls. Later came gentian root, nutmeg, quinine and cloves.

As the King did not improve he was given forty drops of extract of human skull. A rallying dose of Raleigh's antidote was forced down the throat; this antidote contained an enormous number of herbs and animal extracts. Finally bezoar stone was given. Then, says Dr. Scarburgh: "Alas, after an ill-fated night his serene majesty was so exhausted that all the physicians became despondent;" still, so as not to appear to fail in doing their duty, they brought into play the most active cordials and finally forced pearl julep and ammonia down the King's throat.

(Incidentally Charles got "what was coming to him" for it was he who conferred knighthood on Henry Morgan and appointed him Governor of Jamaica after this greatest pirate of all times had slaughtered twenty-five thousand men, women and children in a single night in Panama.)

Uncle Sam is very sick. His doctors have now assembled in Washington to cure the tired old gentleman. May God have mercy on him!

Charles II should have been put to bed, given rest, and let severely alone. Uncle Sam's case is not as alarming as that of Charles; he is simply suffering from nervous prostration, the result of living too high and an orgy of "prosperity." He has a record "hangover." What he needs is to give nature and economic laws a chance. He is in the gravest danger of his existence from the dopesters who would turn him inside out with economic emetics, bleed him with inflation, bimetallism and silver coinage, blister him with "debentures," "bonuses," "employment insurance," "subsidies" and "doles."

CHARLES VEZIN.

Old Lyme, Conn.

PROPOSE CHANGES QUEBEC MINE ACT

Sand and Gravel No Longer Rated as Minerals

From Our Own Correspondent

MONTREAL. — Important amendments to the Quebec Mining Act, designed primarily to strengthen the position of public utility companies will go before the legislature shortly. The first amendment will declare that, for the purposes of the Act, sand and gravel are no longer to be considered as minerals.

The public utility companies come into the picture thus: in the past it has been ascertained that when the plans of a railroad or hydro company become known, persons acquainted with the technicalities of the mining law, have, on occasion, been able to hold up promoters of the new enterprises by staking sandy or gravelly ground in blocks needed by the railroad or for water power development. With the property staked and sand and gravel legally described as minerals in Quebec, expropriation of a so-called mine has been necessary.

The second amendment will give the Department of Mines the right, where it deems fit, to build special roads into mining districts where otherwise they could not be built, and to take the monies from the consolidated fund of the province. At present the Department of Mines cannot build a road, and the Department of Colonization cannot build a road for mines.

The new amendment should aid mining development in the Senneterre, Amos and Lasarre areas of Abitibi, where mining and prospecting is being undertaken. No municipalities are in existence and roads are necessary.

General Motors Make Many Staff Changes

Several changes in factory and sales staff appointments are announced by General Motors of Canada, following the transfer of G. M. C. truck sales division from Walkerville to Oshawa earlier in the present year.

V. O. Hipwell, who has been associated with the company's truck and coach business since its inception in Canada, becomes G. M. C. truck sales manager with head quarters at Oshawa.

Changes in plant appointments at Oshawa are announced as follows: Frank Chappell is to be factory manager in charge of chassis assembly. N. C. Millman, formerly head of the inspection staff, becomes factory manager in charge of Fisher body operations, and A. D. Waderlow, who has been in charge of the stamping plant, is to be factory manager of the sheet metal division. Gordon Pennington, formerly assistant superintendent of the motor plant at Walkerville, is promoted to factory manager there.

G. W. Allan K.C.
PRESIDENT

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C. C. Ferguson
GEN. MANAGER

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Of the 32 startling betterments developed by the greatest automobile engineering staff in the world—of this great aggregation of innovations from bumper to tail light—the one of supreme importance to every motorist is 1932 Free Wheeling plus Synchronized Shifting.

These Triumphant New Studebakers offer you, in addition to the major innovations listed at the left, these startling betterments . . . improved brakes . . . new airplane-type instruments on the dash with Free Wheeling dial . . . all bodies insulated against heat, cold and noise . . . closed bodies wired for radio . . . an electric gasoline gauge . . . metal spring covers on all models . . . a reflex tail light that never fails . . . vacuum spark adjustment for smoothness in acceleration . . . new airplane-type steel backed engine bearings . . . greater cooling capacity . . . finer body hardware, including new positive quick-action windshield mountings . . . concealed hood latches . . . new inside sun viser . . . anti-glare sloping windshield . . . one-piece fenders . . . steel running boards . . . integral unit body construction . . . heat-resisting, sponge rubber floor mats . . . improved rim assembly . . . air cleaner, carburetor silencer and Full-Power muffler . . . single key serves ignition, all doors, package compartment and spare tire lock . . . New Service policy . . . all these, plus scores of minor refinements in design and appointments, mark these latest Studebakers as indeed, Triumphantly New.

THE STUDEBAKER CORPORATION OF CANADA, LIMITED
Walkerville, Ontario

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, FEBRUARY 6, 1932 | 10c a Copy; $5.00 a Year | No. 6

NOVA SCOTIA'S COAL MINES SEEK MARKETS

Wage Controversy, Studied by Commission, Only One Problem

NEED LOWER COSTS

Industry in Province Could Turn Out 9,000,000 Tons Yearly on Present Equipment

From Our Own Correspondent

SYDNEY.—Aside entirely from the wage controversy in the Nova Scotia coal fields, Nova Scotia's coal problems are many and varied. Three of these are closely related: More economical operation, the ability of the operators to turn out more coal at a lessened cost per ton and the ability of the operators to sell more coal at a reasonable profit in the Canadian markets.

In the question of more economical operation the matter of wage rates cannot be dismissed, but since the matter of the operators' ability to pay a certain scale will no doubt be one of the most contentious points to be investigated by the Sir Andrew Rae Duncan Royal Commission, it will not be discussed here other than to explain that the claim of the operators is that wage reductions averaging 12 per cent are necessary to enable them to cut mining costs as a part of a policy of more economical operation. This point is important when it is considered that for every ton of coal raised in the Nova Scotia mines, approximately $2.50 is paid out in wages while the total pit-mouth cost of bituminous coal raised in the competitive fields of the United States ranges between $1.60 and $2, while the average spot price for United States bituminous coal, over a period of 23 years, was around $2.

Canada's Coal Problem

At a nominal price of $5 a ton, Canada—a coal-producing country—spends approximately $95,000,000 for coal imported from other countries each year, while our own mines work in winter less than half-time; while, because of this fact, our own miners fail to earn a fair living wage which would be made possible by more complete operation; while Canadian coal operators face losses which have meant bankruptcy for many. An unhealthy situation at best. What is the solution?

The coal imports of Ontario and Quebec—non-coal producing provinces—from the United States alone approximate the entire normal output of the Canadian coal mines, east and west.

Seek Lower Costs

The ability of Canadian coal to replace to any appreciable extent the imported product on the Canadian markets rests on more than economical mine operation. This is a matter, more or less, involved in a Dominion fuel policy, and as the present-day dependence of Canada upon United States coal is more and more realized, the idea of a national fuel policy, upon whatever reasonable and just terms it may be devised, is becoming less repellant in the coal-importing provinces. But before any fuel policy can be devised to enable Canadian coal to have larger and more certain Canadian markets, it is the contention of the operators that they must be in a position to produce coal at a lower cost per ton than is now the case. This question must be satisfactorily settled before the larger one of a wider coal distribution can be properly tackled. It is this question which the Nova Scotia operators are now attempting to have settled. When this phase is finished the operators will better know where they stand in operating costs and when the question of minimum operating costs is settled the problem of providing wider Canadian markets for Canadian

(Continued on page 19)

Asbestos Corp. Issue Plan of Reorganization Reduce Capitalization

General Mortgage Bond Holders Get Control of Stock

VALUES ARE SLASHED

Committee Makes Serious Effort to Re-establish Concern — Voting Trust Board

From Our Own Correspondent

MONTREAL. — Reorganization plan of Asbestos Corp. calls for a heavy slash in capital values and the creation of a new capital set-up which will give the present general mortgage bondholders control of common stock.

The present issued capitalization has a par value of $14,698,879 and 200,000 shares of no par value common stock. If the plan is approved, the new capital will cover $3,110,179 par value of senior securities and 101,779 shares of no par value.

Under the plan the underlying bonds, having a par value of $749,179, will remain unchanged. These include: $374,379 of Thetford-Vimy 7 per cent bonds due in 1944; 140,000 of Maple Leaf 7 per cent bonds due in 1944; and $234,200 of the 5 per cent bonds of the old company, due 1942, still in the hands of the public.

Eliminate First Mortgages

The first mortgage bonds, amounting to $2,361,000, will be done away with and in their place the holders will receive a modified form of income bond on the basis of par for par, together with 1 share of new common stock for each $100 bond. The exchange covers all arrears of interest.

The general mortgage bonds now outstanding to the face value of $4,132,300 will be replaced with common stock, exchange being on the basis of 1½ shares of new stock for each $100 principal amount of bonds and all interest in arrears.

Slash in Capital Stock

Holders of the $7,456,400 preference shares are offered 1½ shares for each $1,000 worth of preference stock held.

Common shareholders are being offered 1¼ new shares for each 50 old shares held.

May Issue Bonds

The new set-up also provides for the issue of $1,500,000 new first mortgage bonds, which can be issued only for the purpose of retiring underlying bonds or for providing working capital. The right to issue these bonds will expire on January 1, 1937.

The plan provides that the income bonds will not be in default for non-payment of interest until arrears have amounted to at least 12 per cent and the default may be waived by an affirmative vote by holders of 60 per cent of the principal amount of bonds represented at a meeting, at which at least 50 per cent of all outstanding bonds must be represented.

Provisions for Dividends

The plan further provides that no dividends can be paid on the common stock unless the company has redeemed or purchased for redemption an average of at least $250,000 par value of income bonds per annum as from the beginning of 1933.

Establish Voting Trust

A voting trust will be set up and the board of directors will number 9 members, of which six will be elected for a period of three years and three elected for only one year. The voting trust will expire on January 1, 1941, unless prior thereto all of the income bonds have been retired.

As in the case with Canada Power, the reorganization committee, composed of Col. Robert F. Massie, Dr. Charles W. Colby and Kenneth T. Dawes, can declare the plan effective, abandoned, or modified at any time.

The present issued capitalization of Asbestos Corp. is as follows:

Underlying bonds	$749,179
First mortgage bonds	2,361,000
General mtge. bonds	4,132,300
Preferred stock	7,456,400
	14,698,879
Common stock, n.p.v.	200,000 shs.

Under the reorganization, the estimated revised capitalization will be:

	Authorized	Issued
Underlying bonds	$749,179	$749,179
New 1st mtge.	1,500,000	......
Gen. mtge. 6% income bonds	2,361,000	2,361,000
	4,610,179	3,110,179
Common stk., n.p.v.	300,000 sh.	101,779 sh.

Distribution of Common

The manner in which the new common stock will be apportioned follows: It will be noted that control rests with the former general mortgage bondholders:

Holders of:	New common stock
First mortgages	23,610
Gen. mortgages	61,985
Preference shares	11,184
Common shares	5,000
Issued	101,779

Provision has already been made for five voting trustees. They are: A. P. S. Glassco, secretary and bursar of McGill University; James Hutchinson, of Riddell, Stead Graham and Hutchinson, chartered accountants; W. Wynne Robinson, manager of the National Trust Co., Montreal; Arthur F. White, Dominion Securities Corp., Toronto; and Arthur B. Wood, vice-president of the Sun Life Assurance Co., Montreal.

Short Hectic Career

Asbestos Corp. has had a short, but hectic history. Formed in 1925 it brought under one organization the Asbestos Corp. of Canada, Maple Leaf Asbestos Corp., Federal Asbestos Co., Thetford-Vimy, Consolidated Asbestos, Asbestos Mines, Black Lake Asbestos and Chrome Co.

Difficulties developed from the start and earnings dwindled steadily. From $1,323,657 in the first eleven months of 1926, profits fell off from year to year and in 1930, a deficit of $27,636 was recorded.

Two years ago the general mortgage bondholders waived their interest (the preferred dividend due on April 15, 1929, was passed) and six months later the first mortgage bondholders took similar action. No interest has been paid since that time.

In announcing the plan, it is stated that the future of the Canadian asbestos industry, and Asbestos Corp. in particular, will depend to a large extent upon cooperation among producers. This has progressed to a point where an association of asbestos operators has been formed, which will assist in standardizing output by controlling the classification of grades.

Post Compiles Record Of New Industries

Editor, The Financial Post:

Would you kindly advise as to where I could obtain information on new industries being established in Canada? Where could one obtain the name of the firm, nature of the industry and its location?

The Financial Post began in 1932 compiling week by week a record of all new industries and plant extensions in Canada. This information is published in tabloid form each week in a special column and contains all available information such as the name of firm, of its parent organization if it is a branch plant, the name of the manager of the plant and the type of business to be carried on.

Already in the past four weeks our records show a total of some 30 new plants established in Canada during 1932.

CANADA BREAD CO. EARNINGS KEEP UP CL. "B" DIVIDENDS

Company Will Need $421,474 Net to Cover All Present Needs

Canada Bread Company's shareholders are encouraged by the action taken by the directors in declaring a dividend of 50 cents per share on Class B preferred stock, payable February 15, 1932, to shareholders of record January 30, 1932.

In September, 1931, the Class B dividend was deferred for a month until the board could get a better view of the course of business. One month later the company declared the dividend on the basis of 50 cents a share quarterly, which represented a reduction of $1.25 on the regular quarterly payment. This dividend was paid December 1st and the renewal of the dividend on the same basis is taken as evidence that the company has been able so far to earn as much as, or better than, the annual rate of $2 a share on the B preference stock.

In the year ending June 30, 1931, the company earned $4.71 a share and paid $7 a share as well as 62½ cents a share on the common stock. The common stock dividend was omitted on September 1, 1931.

The company needs $137,500 to pay its first preferred dividends and B preferred dividends on the present basis, and if the same amount of $219,974 is set aside for depreciation reserves as in 1931 and income tax of $20,000 and bad debt reserves of $44,000, the total net earnings required for the current year ending June 30, 1932, will be $421,474. Actual net earnings in the preceding period were $489,149, including investment interest of $21,193. Paying of full B preferred dividends and $125,000 on common in the year ended June 30, 1931, caused a deficit for the year of $182,325. Flour prices have not shown as great declines this year and that may help the ultimate showing as of June 30 next.

Has 100,000 Customers

H. V. Loftus, general manager, recently addressed a letter to all consumers of Canada Bread products in which he stated that Canada Bread made bread, cakes, rolls, pies and cookies for 100,000 households from Montreal to Winnipeg inclusive. The company employs 1,500 people, most of them married men, so that there are nearly 8,000 people dependent on the company's working force. The company is, therefore, one of the leading employers of labor in the Dominion, dispensing several millions of dollars annually to workers. The company has 700 salesmen, route managers and inspectors. There are 2,000 shareholders, more than half of them women.

The policy of the company at this juncture has been to increase quality and not to join in price-cutting fights, which bring all production below profitable levels. In addition to the master baker at every plant of the company there is a super-master baker, who tests all products and prepares new formulas with every master baker at his respective plant. Constant research and testing goes on, not only with reference to all company's products but those of every important competitor.

SARNIA BRIDGE DEFICIT FOR YEAR LESS THAN 1930

No Depreciation Provided for in Past Two Periods

From Our Own Correspondent

MONTREAL. — Net sales of Sarnia Bridge Co. in 1931 were $466,104, compared with $601,630 in the previous year. Deducting cost of sales, net income was lower by $5,000 at $73,256. Selling and administration expenses resulted in a deficit of $12,031, compared with a deficit of $28,144 in 1930.

No payments were made in dividends last year, and after addition of previous surplus the company carried forward a balance of $4,095 into 1932.

Following is a comparison of profit and loss accounts for the past two years.

	1931	1930
Net earnings	*$12,031	*$28,144
Less: Loss in disposal of equip.	358	343
Net profit	*12,389	*28,487
Less:		
Class "A" divds.	......	24,000
Class "B" divds.	......	7,500
Surplus for year	*12,389	*59,987
Add: Prev. surplus	15,908	85,010
Adjustment	576	......
Less: Adj. sales tax	......	5,655
Workmen's Comp.	......	3,460
Balance forward	4,095	15,908

*Deficit.

Inventories Are Reduced

Working capital shows a reduction of $16,000 at $122,523, with current assets of $197,749 against current liabilities of $75,226.

In assets, cash is higher by $1,100 at $1,435. Inventories are down $37,000 at $107,312 and accounts receivable, less reserve, have increased by $28,000 to $88,652. Valuation of fixed assets is unchanged with the exception of an addition of $5,000 to machinery and equipment, which totals $258,166.

In liabilities, bank loans are higher by $11,000 at $58,500 and accounts payable show a gain of $7,000 at $15,518. Reserve for depreciation is marginally lower at $121,497 and total assets have been reduced by about $5,000 to $654,583.

The auditors' certificate covering the 1931 balance sheet states in part that accounts receivable include a doubtful balance of $28,780 against which certain security is held. The reserve for bad debts includes an amount of $8,500 only in regard to the said balance. No provision has been made for depreciation of buildings, machinery and equipment since December 31, 1929.

WINDSOR HOTEL REDEEMS BLOCK OF PREFERRED

Earnings Slightly Below Dividend Needs in 1931

From Our Own Correspondent

MONTREAL. — Redemption of $250,000 of 6½ per cent preferred stock in addition to the usual retirement of bonds through sinking fund are features of the annual statement of Windsor Hotel, Ltd., for 1931. Due to this redemption of bonds and preferred stock, interest charges and dividend requirements will be reduced by $21,750 during the current year. The changes have found some reflection in working capital position.

Net earnings in 1931 amounted to $439,626, compared with $606,189 in the previous year. Interest charges were slightly lower and depreciation of $100,000 was half of the previous year's provision. Net profit was $135,523 against which preferred dividends of $143,813 were paid during the year, leaving a deficit of $8,290. In the previous year profit was equal to $8.74 a share on the preferred and $1.01 a share on the common stock.

Profit and Loss Figures

Following is a comparison of profit and loss accounts for the past two years:

	1931	1930
Net earnings	$439,626	$606,189
Deduct:		
Bond interest	204,103	209,603
Depreciation	100,000	200,000
Net profit	135,523	196,586
Pfd. divid.	143,813	146,250
Surplus	*8,290	50,336
Prev. surp.	376,903	329,502
Balance	368,612	379,839
†Premium	3,877	3,664
P. & L. bal.	364,735	376,175

*Deficit.
†On bonds redeemed.

Contraction in Liquidity

Current assets exceeded current liabilities at the end of the year by $752,901, compared with a working capital of $998,064 at the end of 1930. Ratio of current assets to current liabilities is over 5 to 1, whereas in the previous year ratio was slightly better than 6 to 1.

Investments at cost are lower by $216,640 at $753,174 and cash is down $22,000 to $52,405. Accounts receivable at $50,043 are lower by $3,000, inventories show a reduction of $22,000 at $66,108, while accrued interest has dropped $3,000 to $8,660. Fixed assets are unchanged at $6,755,000 and total assets at $7,723,418 show a decline of $269,000.

Redeem Preferred Shares

In liabilities, the outstanding change is in capital structure. Preferred stock is now outstanding to the extent of $2,000,000, a reduction of $250,000, the first time any of this stock has been retired since issuance.

There were also redeemed during the year $64,400 of 6½ per cent first mortgage bonds, leaving $2,166,300 outstanding and $21,900 of 6 per cent refunding mortgage bonds, leaving $1,054,900 outstanding.

Depreciation reserve has been increased by $100,000 to $650,167 and profit and loss surplus is lower by $11,439 at $364,736.

Remarks to Shareholders

In his remarks to shareholders, Hon. J. M. Wilson said, in part:

"The effect of the current depression on all business is well known. In so far as your company is concerned, the severe contraction in business which we experienced last year has been further aggravated. Generally curtailed spending power of the public has been reflected in lower earnings in all departments. Tourist and convention business has been disappointing in spite of sustained effort on our part to attract this class of business.

"Having in mind existing circumstances, the net results of the year's operations may be considered as reasonably satisfactory and in great part due to a more economical system of operation and reduction in payrolls without in any way impairing the service or the maintenance of property, plant and equipment."

CANADA NOW HAS MORE SILK LOOMS

While Imports Declined Markedly in 1931 Due to Tariff

During 1931 the number of broad silk looms in Canada have increased substantially, according to the Silk Association of Canada, and there is now enough machinery to take care of the whole market.

Reports from individual mills indicate a substantial increase in production and employment in 1931 over 1930, particularly since last June when tariff changes were made. The effect of this change is shown by the import figures on silk fabrics dyed and finished, for three month periods during 1931, which follow:

Import of Finished Silk Fabrics

1931:	Yards	Value
1st quar.	2,817,686	$1,607,029
2nd quar.	1,974,993	915,754
3rd quar.	872,679	341,117
4th quar.	279,129	167,838
	5,944,487	$3,031,738

Comparative imports into Canada for the fourth quarter of 1930 amounted to 1,523,377 yards valued at $607,259; while for the whole of 1930 they amounted to 8,498,069 yards valued at $4,548,503.

Shell Oil Co. to Build New Ship for Lakes

Shell Oil Co. of Canada announces completion of arrangements for the distribution of the company's products from the Montreal plant to ports on the Great Lakes and tributary waters by its own tank vessels.

The keel of the first ship, which will have a capacity of 600,000 gallons, and carry a crew of 21 has already been laid at the yard of Messrs. Swan, Hunter, Wigham and Richardson, of Newcastle-on-Tyne, builders of the Mauretania. It will be christened "Lakeshell" and will be registered at the port of Toronto some time in April.

Notwithstanding depressed business conditions, the company in 1931 alone spent over $16,000,000 in the construction of new ships.

Principles of Safety Given to Investors In Radio Broadcast

Talk on Investments Deals With Security as Prime Requisite

RULES SUGGESTED

Dominion and Provincial Bonds Rank High—Corporate Securities Require Care

Editor's Note. — The following address is the second of a series of talks on Principles of Investment arranged by Western High School of Commerce, Toronto, and broadcast by station CFCA on February 3. The next talk will be on "Income, a Leading Motive of Investment," and will be given at 7.45 p.m. on February 10.

By H. R. JACKMAN,
Dominion & Anglo Investment Corp.

In the first address of this series on Investment Principles, six fundamentals of sound investment were pointed out. The first fundamental was: "Clearly set forth the purposes for which you are investing, as this will determine the plan of investment to be pursued." The second was: "The investment fund should be erected on a solid foundation—government and municipal bonds, for example, make an excellent cornerstone."

This evening we wish to discuss Security as a Prime Consideration. By security is meant the assurance that the money invested will not be lost and that the expected annual income will be received by the investor.

Do You Need Security?

The first question to be considered is: "Do you need security?" The degree to which the investor should endeavor to obtain security will depend on the investor's financial resources and the necessity of an assured income. The second question to be considered is: "How to recognize security?"

Every investor should have at least a portion of his capital invested in securities of the highest grade, by which is understood the best government and municipal bonds. It is perhaps not too much to say that every wise investor will feel under an obligation either to himself or to those dependent on him to have at least that part of his capital invested in high-grade securities the income from which will maintain himself and family in a reasonable degree of comfort.

Those whose incomes are just sufficient to meet their needs, including some provision for the future, should constitute the most cautious class of investors. Those who have retired with a competence belong also to this class. Such investors have to make the best possible use of their resources but they cannot afford to risk a capital loss.

It is in this class that the greatest hardship results from unwise investment, from unwarranted speculation, and from the glowing but dishonest schemes of fraudulent promoters, because people in this class have no opportunity of replacing their losses from earnings, nor from venturing surplus capital in enterprises which may yield exceptional profit.

No Substitute For Security

The fact that losses must be avoided as far as is humanly possible and that the total capital is not large enough to assure that losses in some inferior securities may be made up by profits in others, means that the investor in this class must have regard first for security of principal and income. For such an investor there is no substitute for security.

There is nothing to say against the purchase of junior securities of good companies with established earning power. Someone must assume, whether profitably or unprofitably, the risks of modern economic society, but such risks are only for those who can afford to undertake them. Every person, no matter how well circumstanced, should have first a back log of well-secured investments. People of limited means cannot afford to speculate and they should not try to speculate and invest at the same time by buying a security which compromises on both.

Security and income, and not the hope of possible profit, should always be first in the minds of those who really invest.

If a particular investment does not provide a high degree of security and you are in doubt as to whether or not you should speculate on its merits, ask yourself this question: If the purchase should turn out unfortunately would the loss interfere with the standard of living to which I am accustomed, or which I am planning to enjoy in the future? In other words, in the event of loss, what amount of human suffering will result? A high-grade investment on the other hand is something that guards or guarantees the maintenance of an adequate standard of living.

Security like any other major investment quality, such as income

(Continued on page 19)

Dominion Steel Plan Close Mines

From Our Own Correspondent

MONTREAL. — Following up his recent statement that coal operations of Dominion Steel and Coal Corp. during 1931 resulted in a loss of $1,760,003, H. J. Kelley, general manager of the company, told the Royal Commission investigating conditions in the Nova Scotia coal industry that it was proposed to limit operations during 1932.

Collieries which the company seeks to close this year are Dominion No. 14 and No. 11, in Cape Breton; Acadia No. 3 and Cumberland No. 6, on the mainland. Closing would displace 2,250 men and shorten daily production by 4,876 tons. It is also proposed to cease pumping Dominion No. 6 and Jubilee, which have not been operated in recent years.

MT. ROYAL HOTEL PREFERRED STOCK VOTES AT MEETING

Question of Depreciation Again Up for Discussion

From Our Own Correspondent

MONTREAL. — Exercise of the preferred stock voting privilege was a feature of the annual meeting of shareholders of the Mount Royal Hotel Co. Hitherto common shareholders only have been able to cast their votes, but the preferred stock is entitled to vote when dividends are 6 per cent in arrears. At the beginning of 1932 the preferred was 8.50 per cent in arrears.

The question of depreciation, which engendered considerable argument two years ago, was brought up again. A shareholder pointed out that though the hotel rentals approximated 50 per cent of capacity in 1931 compared with 58 per cent in 1930 depreciation charged off last year was only $200,000 compared with $321,000 in 1930. J. Alderic Raymond, president of the company, explained this by stating that during last year many rooms had been closed down entirely and stripped of furniture; consequently the need for provision of depreciation was much less, despite the fact that rentals were only slightly lower.

Details of Investments

Another shareholder sought information on the company's investments, which were carried at $57,025 in the balance sheet. It was stated in reply that the former management had subscribed to $50,000 of securities of the Canada West Indies Hotel Co., which comprise the greater part of this investment account.

As regards call loans, which totalled $141,146 at the end of last year, it was pointed out that, according to the company's auditors, these were secured by collateral well in excess of the value of the loans.

In addressing shareholders, President Raymond stressed the strong liquid position occupied by the company and remarked on the strong efforts which had been and were being made to reduce operating costs without impairing the high standard of service or the efficiency of the property.

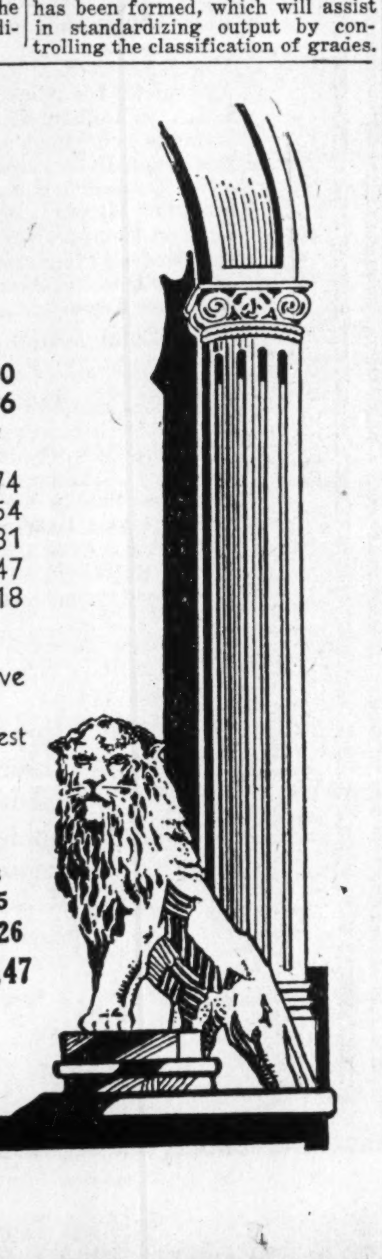
Canada Permanent Staff Honors General Manager

Combined staffs of the Canada Permanent Mortgage Corporation and The Canada Permanent Trust Company tendered the vice-president and general manager of those institutions, George H. Smith, a complimentary banquet in Toronto last week and presented him with his portrait by Joshua Smith, R.B.A.

The function was held in celebration of the fiftieth anniversary of Mr. Smith's having entered the service of the "Canada Permanent."

Walter F. Watkins acted as chairman and in addition to the members of the staff of the Toronto offices, there were present the following branch managers: C. S. Robertson, Toronto; Arthur E. Hessin, Toronto; J. H. C. Lawrence, Winnipeg; A. G. Cook, Regina; W. W. Evans, Edmonton; George I. Legate, Vancouver; H. N. M. Stanbury, Halifax; R. F. Wright, Saint John; Henry A. Little, Woodstock; W. G. Helliker, Brantford; J. McIntosh Tutt, Brantford.

Robert Henderson, inspector of branches and W. T. Creighton, supervisor of western branches, were also present.



Summary of
26th. Annual Report of
The MONARCH LIFE
ASSURANCE COMPANY
HEAD OFFICE —— WINNIPEG

Assurance in Force	$61,148,205.00
Assets	10,373,408.36

PROFITS APPORTIONED IN 1931

Shareholders' Account	$ 38,384.74
Depreciation on Bonds	88,592.54
Investment Reserves	84,921.31
Policyholders' Profits	235,928.47
Added to Surplus	56,152.18

OUTSTANDING FEATURES

1. Very large additions to profits and to surplus reserve funds.
2. Increase in Cash Premium Income and Cash Interest Income.
3. The stability of the investments.

	Assurance in Force	Assets	Cumulative Payments to Policyholders
1913	$6,762,506.00	$530,972.57	$56,893.76
1919	20,129,349.00	1,341,366.63	440,260.75
1925	42,996,096.00	4,991,702.89	1,481,480.26
1931	61,148,205.00	10,373,408.36	5,121,808,47

A CENTURY OF SERVICE

ONE Hundred Years is a long time! During that period a company can acquire experience and skill which is a sure guarantee of satisfactory service. All this is back of our slogan—

"Over 100 years of dependable service"

In the engraving and printing of bank notes, bonds, stock certificates and all monetary documents is reflected all the knowledge acquired in over a century of exacting service.

This is the reason that documents bearing our imprint have character and individuality which it is difficult to duplicate or to counterfeit.

Over 100 Years of DEPENDABLE SERVICE

CANADIAN BANK NOTE COMPANY
LIMITED
HEAD OFFICE AND WORKS: OTTAWA
TORONTO—BRANCHES—MONTREAL

DIVIDEND NOTICES

Loblaw Groceterias Co. Limited

NOTICE IS HEREBY GIVEN that quarterly dividends of 20 cents per share on the Class "A" shares and 20 cents per share on the Class "B" shares of the company have been declared for the quarter ending February 29th, 1932, payable on March 1st, 1932, to shareholders of record at the close of business on February 12th, 1932. The transfer books will not be closed.

By order of the Board,
D. URQUHART,
Secretary.
Toronto, February 1st, 1932.

Nova Scotia Light and Power Company, Limited

Preference Dividend No. 15

Notice is hereby given that a dividend of one and one-half per cent (1½%) for the quarter ending February 29th, 1932, has been declared upon the 6% Cumulative Redeemable Preference Stock of the Company, payable March 1st, 1932, to shareholders of record at the close of business February 13th, 1932.

By Order of the Board.
C. J. HAYES,
Secretary.
Halifax, N.S., January 28th, 1932.

The Canadian Bank of Commerce

Dividend No. 180

Notice is hereby given that a dividend of Three per cent on the paid-up capital stock of this Bank has been declared for the quarter ending 29th February, 1932, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st March next, to shareholders of record at the close of business on the 30th day of January, 1932. The Transfer Books will not be closed.

By Order of the Board,
S. H. LOGAN,
General Manager.
Toronto, 22nd January, 1932.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 10

Notice is hereby given that a Dividend of 15 Cents per share, being at the rate of 60c per share per annum, has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending February 15, 1932, payable March 15, 1932, to shareholders of record at the close of business on February 15, 1932.

By Order of the Board,
FRED HUNT,
January 28, 1932. Secretary.

Penmans Limited

Dividend Notice

Notice is hereby given that a Dividend of Seventy-five Cents (75c) per share has been declared on the Common Stock for the quarter ending on the 31st day of January, 1932, payable on the 15th day of February to Shareholders of record of the 5th day of February, 1932.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, January 28, 1932.

The Royal Bank of Canada

DIVIDEND NO. 178.

NOTICE is hereby given that a dividend of three per cent (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday, the first day of March next, to shareholders of record at the close of business on the 30th day of January.

By order of the Board.
M. W. WILSON,
General Manager.
MONTREAL, Que., Jan. 15, 1932.

Corporate Financing

Our distributing facilities are broad enough to handle all types of issues, both large and small, for those desiring capital through the sale of securities. References exchanged.

THE BROOKWORTH CO. Inc.
110 East 42nd St., New York, N.Y.

CANADIAN POWER AND PAPER PASS USUAL DIVIDEND

Investment Trust Omits Preferred Quarterly Payment

From Our Own Correspondent

MONTREAL.—Canadian Power and Paper Investments has passed the dividend for the quarter ending January 31, 1932, on its 5 per cent, cumulative preferred stock. No official reason is given for this move, but it is assumed that revenues of the company are not sufficient to take care of this charge.

Though the company was incorporated in 1920, it did not become of public interest until 1928 when $2,500,000 of 5 per cent, thirty-year debentures were sold to the public. In addition, $2,500,000 of 5 per cent cumulative preferred was offered at par. The common stock was never publicly offered, except as a bonus with the series "A" debentures.

No Details of Holdings

Canadian Power and Paper Investments is an investment trust of the management type. It was organized primarily to make investments in hydro-electric, public utility, and pulp and paper companies. No details as to the company's investments have even been published by the management. At the end of 1930 the balance sheet showed investments of $7,722,160. but there was a footnote to the effect that on December 31 these investments had a value of $1,090,251 less than the book value. There were at that time current liabilities totalling $1,324,308, of which $1,237,336 represented collateral loans.

The 1930 income account showed a net income of $151,976. This was approximately half of that reported in 1929 and 1928 and was only $26,976 in excess of the requirements for the preferred stock dividends.

HIGHER ASSETS SHOWN IN REPORT TRUSTS AND GUAR.

Earnings Net $6.56 Per Share in 34th Annual Report

Net profits after payment of taxes, of $129,883 as compared with $153,205 a year ago are shown in the 34th annual report of Trusts and Guarantee Co. This amounts to earnings of $6.56 per share as compared with $7.75 a year ago. Dividends at the regular rate of $6 were paid during the year and in addition the company wrote off from surplus account $90,342 as provision against ascertained and probable losses, leaving a balance carried forward in surplus account for 1932 of $158,404 as against $237,508 a year ago.

Comparative figures of profit and loss in the past two years are as follows:

Profit and Loss Account
Years Ended Dec. 31

	1931	1930
	$	$
Net earnings†	151,542	173,255
Less: Fed. & prov. taxes	21,659	20,050
Net profit	129,883	153,205
Less appropriations:		
Dividends	118,645	118,521
Prov. for ascertained & possible losses	90,342	......
Surplus	§79,104	34,684
Previous surplus	237,508	219,884
Written off assets	......	17,060
Balance carried forward	158,404	237,508

†After deducting cost of management, advertising, general expenses, salaries, directors and auditors' fees. §Debit.

Earnings per Share and Dividend Record:

Earned†	$6.56	$7.75
Paid	6.00	6.00

†Based on net profit as above.

Assets Higher

Total assets as at the end of 1931 show an increase of $1,600,000 as compared with 1930, the total being $42,778,768. The increase is due to a gain of $1,766,882 in estates agencies and trusts account which now stands at $33,092,451. Guaranteed trust account totals $7,489,545 as compared with $7,565,000 a year ago and shows increased holdings of government and provincial bonds at $1,121,000 to offset a decline of $200,000 in holdings of municipality and school debentures. Holdings of bonds other than those mentioned are also higher.

Mortgages held under this account show little change at $4,948,000, which includes interest of $172,869. The company reports that loans on farm and city property in western Canada now amount to less than $600,000 which is approximately 40 per cent of the previous high point of such loans some years ago.

On the liabilities side, trust funds for investment are shown at $5,819,841 as compared with $5,683,709 a year ago while deposits are lower by $211,717 at $1,669,705, due to withdrawals for the recent National Service Loan.

KELVINATOR CORP. SALES INCREASED, NOW HAS SURPLUS

Preferred Dividends Are Earned Three Times—Inventories Higher

Last November an article in The Financial Post stated that net profits of Kelvinator Corp. for the year ending September 30, 1931, amounted to $130,069 as compared with $80,593 the preceding year. Further details in financial statement show that these profits were made on total sales, less rebates and returns, of $2,016,935 as against $1,720,038 the preceding year. In doing this larger volume of business expenses increased somewhat, cost of sales from $1,111,004 to $1,242,115, selling and operating expenses from 505,013 to $596,764 and other net deductions from $16,427 to $35,796 and provision for Dominion income tax from $7,000 to $12,190.

Consolidated Income and Surplus Account
Years Ended Sept. 30

	1931	1930
	$	$
Sales*	2,016,935	1,720,038
Net profit†	130,069	80,593
Disc. on red. of pref. stock	130	17,510
Liab. re sink. fund‡	38,125	......
Previous deficit	40,113	138,216
Surplus	128,211	§40,113
Loss on conv. of sub. co's. bal. sheet from sterling to dollars	5,274	......
Pref. dividends	46,340	......
Bal. carried forward	76,597	§40,113

*Less rebates and returns. §Deficit.
†After provision for depreciation and income tax.
‡Liab. to Kelvinator Corp. re sinking fund pay. cancelled by agreement.

Surplus Replaces Deficit

Thus a previous deficit of $40,113 has been changed into a surplus of $76,597. Preferred dividends were earned nearly three times.

Current assets were $617,065 and current liabilities $111.026, leaving working capital of $506,939 if an amount of $25,630 shown among the liabilities as due Kelvinator Corp., parent company, is counted as a current liability. That is a reduction from $102,440 due a year earlier. This compares on the same basis with current assets of $548,326 in the previous year and current liabilities of $140.028 leaving working capital of $408,298. Cash is down from $104,195 to $76,745. receivables from $247.207 to $238,705, but inventories showed an increase from $196,924 to $301,615. Payables in the year increased from $65,091 to $69,411, and Dominion income tax reserve from $10,624 to $15,985. The reserve for United States exchange is shown at $4,273.

The company also set aside $5,274 to convert sterling into dollars. As the exchange disparity has become worse since September it is possible that a larger sum would be needed for the current year unless a considerable change takes place in exchange relations of sterling and the dollar and of the Canadian dollar to the United States dollar.

Working Capital

	1931	1930
	$	$
Current assets	617,065	548,326
Current liabilities	111,026	140,028
Working capital	506,039	408,298
Ratio	5.55—1	3.92—1

Export Copper Price Is Cut to 6.875 Cents

The export price of copper has been reduced to 6.875 cents per pound, N. Y. funds.

The unsettled conditions of the domestic market and the small foreign demand are said to be responsible for the decline in price. Following the announcement by the Copper Exporters Inc., in New York, corresponding reductions were made by some of the cable and wire manufacturers. Bare copper wire in car load shipments was reduced from 9¼ cents to 8½ cents per pound.

BROCKVILLE TRUST MAINTAINS PROFITS INCREASES ASSETS

Earnings for Year $4.48 Per Share — $4.80 in 1930

Net profit after allowance for taxes, of $44,778 as compared with $48,015 a year ago is reported by Brockville Trust & Savings Co. in its 46th annual report issued last week. The company's shares have a $50 par value so that per share earnings for the year amount to $4.48 as compared with $4.80 a year ago, and amply cover dividend requirements of $3.50 per share which has been the regular rate of dividend for many years.

Details of profits and loss are as follows:

THE BROCKVILLE TRUST & SAVINGS COMPANY
Profit and Loss Account
Years Ended December 31

	1931	1930
	$	$
Net earnings*	49,368	51,215
Less: Taxes	4,590	3,200
Net profit	44,778	48,015
Less appropriations:		
Dividends	35,000	35,000
Surplus for year	9,778	13,015
Add: Prev. surplus	4,363	9,103
	14,141	22,118
Trans. to conting. res.	10,000	7,754
Trans. to capital res.	......	10,000
Less: Addit. tax (1930)	830	......
Balance carried forward	3,311	4,364
Earnings per Share and Dividend Record:		
Earned	$4.47	$4.80
Paid	3.50	3.50

*After deducting interest, expenses and charges.

Assets Higher

Total assets, including guaranteed trust account and estates, trusts and agency account are shown at $1,681,877 as compared with $1,549,771 a year ago. All groups of assets show increases, the company's estates, trusts and agency account now standing at $98,601 as compared with $30,989 a year ago and $1,252 in 1922, which was the first year in which the company commenced handling trust business. Guaranteed trust account is higher by $35,000 at $790,680, the increase being due largely to increased holdings of first mortgages. Capital account is also higher at $792,596 due largely to a $30,000 increase in first mortgages.

Among liabilities, in addition to increases corresponding to those noted above in the company's various departments, the company shows an increase in its reserve for contingencies on mortgages and real estate, from $21,353 to $40,834.

MACARONI CORP. EARNINGS SHOW IMPROVEMENT

Substantial Block of Preferred Stock Retired

From Our Own Correspondent

MONTREAL.—Profits of Catelli-Macaroni Products in the fiscal year ended November 30, 1931, totalled $154,130 compared with $88,079 in the previous year. After providing $96,243 for depreciation, the previous deficit of $70,655 in surplus account was reduced to a deficit of $12.079. No dividends were paid in the last year against a disbursement of $90,000 in the previous period.

During the year there were retired $4,250 shares of class "A" stock leaving outstanding $1,672,500. The discount on this retirement, amounting to $75,650, has been applied to adjustment of goodwill account to the extent of $55,551 representing the difference between the purchase price of the former Puccini plant, now dismantled, and the depreciated value of machines and other equipment transferred to other units now in operation.

Working Capital Stronger

An improvement in working capital is shown in the balance sheet. Current assets have increased by $54,000 to $405,156 and current liabilities are down $31,000 at $26,517, indicating net working capital of $378,639 compared with $294,150 at the end of the previous year.

Changes in assets include cash up $23,000 at $33,538, receivables up from $136,666 to $143,377 and inventories up $32,000 at $218,003. Accounts payable are sharply off at $9.933 against $55,303 shown in the preceding report.

ASK RECEIVER FOR SASK. CO.OP.

Government Wants Manager Named for Farm-Owned Dairy

From Our Own Correspondent

REGINA.—On behalf of the Saskatchewan Government application has been made in the courts for foreclosure on a mortgage on properties of the Saskatchewan Co-operative Creameries Ltd., and the appointment of a receiver for that company. It is planned that S. C. Burton, at present manager of the company, will be named receiver, and the government announces that plans have been made for financing operations under a receiver, in the expectation that business will be carried on without interruption until further plans can be developed for the future. Special legislation with respect to the Creameries Company is to be introduced at the forthcoming session of the legislature.

In the proceedings which have begun the Executors and Administrators Trust Company of Moose Jaw are represented as trustees for an issue of a $500,000 bond issue. These are bonds issued on properties of the former Caulder's Creameries, absorbed some time ago into the Saskatchewan Co-operative Creameries, and in respect to the properties in question are understood to rank ahead of mortgages held by the government. Only $232,000 of the bonds in question are now outstanding in the hands of the public.

Continued operation of the creameries, no matter under what authority, or by what financial arrangements, is regarded as being very important. While in places there are some competitive establishments to which farmers might ship their cream, most farmers would find it difficult or impossible to continue dairy operations should the plants be closed.

ROLLAND PAPER HELD EARNINGS NEAR 1930 LEVEL

Preferred Dividend Covered—Common Earned 38 Cents a Share

From Our Own Correspondent

MONTREAL.—Financial statement of Rolland Paper Co. for 1931 shows preferred dividends covered and a stronger cash position. Earnings after operating expenses, taxes and provision for bad and doubtful debts amounted to $346,876 compared with $379,358 for the previous year.

After providing for interest, which was higher on account of the premium on American funds, an additional $12,000 for depreciation over the $72,000 in 1930, and $2,000 for organization expenses, net available for dividends was $112,670 as compared with $159,858 in 1930. Preferred dividend requirements were $90,000 and common stock earnings were 38 cents a share compared with $1.16 a share in 1930.

Profit and Loss Figures

Following are details of profit and loss account for the past three years:

	1931	1930
	$	$
Earn. after op. exp. & taxes	346,876	379,358
Bond interest	148,206†	137,500
	198,670	241,858
Depreciation	84,000	72,000
	114,670	169,858
Pref. dividend	90,000	90,000
	24,670	79,858
Prop. org. exp. w.o.	2,000	10,000
Surplus for year	22,670	69,858
Prev. surplus	281,034	211,176
Insurance res. (cr.)	8,500	......
P. & L. balance	312,204	281,034

†Including premium on American funds.

Improved Liquid Position

The balance sheet shows improvement in working capital, the latter amounting to $1,020,331 as against $997,373, with current assets equal to 8.8 times current liabilities. In the previous year, the ratio between current assets and current liabilities was 6.65 to one.

Cash is $76,000 higher at $108,552, holdings of investment securities showed a similar increase and totalled $175,317. It is pointed out that market value at December 31, 1931, was $159,352 and the figure includes $72,500 of government and government-guaranteed bonds.

Inventories Were Reduced

Accounts receivable, less reserves are unchanged at $207,617, while inventories show a decrease of $178,000 at $657,818. Sundry investments, which include $77,500 of the company's own bonds, are carried at $101,285 compared with $79,610 in 1930 and fixed assets have been increased by $18,000 to $4,694,471. Total assets are $9,000 higher at $5,959,403.

In liabilities, accounts and bills payable have declined from $130,296 to $82,566; interest and other accruals are unchanged at $46,602. Depreciation reserve has been increased by $84,000 to $268,000, and an insurance reserve of $8,500 shown in 1930 has been credited to surplus and eliminated from the present balance sheet.

During the year, $50,000 of 5½ per cent first mortgage bonds were redeemed, leaving $2,450,000 outstanding, while preferred and common stock is unchanged. Profit and loss surplus is higher by $31,000 at $312,203.

HIGHER EARNINGS FOR MORTGAGE CORP.

Nova Scotia Company Increases Profits by Over 10 Per Cent

An increase in earnings of over 10 per cent is reported by Mortgage Corporation of Nova Scotia for 1930. Net profits after all charges and taxes totalled $76,050 which is equivalent to $11.18 per share and compares with earnings of $68,921 or $10.13 per share a year ago. The company declared a 7 per cent dividend as compared with 6 per cent in 1930 and after providing for loss on real estate of $9,000, appropriated $20,000 to reserve fund which now stands at $310,000.

Details of profits and loss are as follows:

Profit and Loss Account
Year End. Dec. 31

	1931	1930
	$	$
Net profits*	76,050	68,921
Less: Dividends	47,600	40,800
Prov. for loss on real est.	9,000	......
Surplus for year	20,550	28,121
Add: Prev. surplus	4,121	1,000
Less: Trans. to res.	20,000	25,000
Bal. carried forward	3,571	4,121

*After providing for expenses of management, taxes and interest on debentures and deposits.

Earnings per Share and Dividend Record:

Earned	$11.18	$10.18
Paid	7.00	6.00

Total assets are slightly higher at $2,218,393 the increase being largely in mortgages on real estate which are shown at $1,820,215 as against $1,695,700 a year ago. Real estate held for sale, less provision for possible loss, is also higher at $49,804 as compared with $40,908 last year.

Among liabilities, debentures outstanding are increased to $802,455 as compared with $738,955 last year, while deposits are somewhat lower at $51,990. As already stated, reserve fund is higher by $20,000.

Montreal Trust Sets Record Profits in 1931

Estates and Trusts Under Administration Total Over $760,000,000 — All Departments Show Profit — Continue Present Dividend

From Our Own Correspondent

MONTREAL.—Montreal Trust Co. established record profits during 1931, the total of $630,070 comparing with $626,293 in 1930, the previous high record, and with $605,623 in 1929.

There was a slight increase in the amount of dividends paid during the year, being up $20,000 to $340,000. After setting aside a reserve for taxes and contribution to the pension fund, there remained a surplus for the year of $204,723, which brought the profit and loss account balance up to $347,874.

	1931	1930	1929
	$	$	$
Net profit	630,070	626,293	605,623
Deduct:			
Dividends	340,000	320,000	280,000
Tax reserve	75,347	69,475	77,408
Hosp. sub.	......	5,000	5,000
Pens. fund	10,000	10,000	10,000
Surplus	204,723	221,818	233,220
Prev. surp.	143,151	421,333	188,113
Total surp.	347,874	643,151	421,333
To reserve	......	500,000	......
Forward	347,874	143,151	421,333

The balance sheet as at December 31, 1931, shows total account assets of $8,564,377. This compares with $10,175,512 at the end of the preceding year. Capital stock and reserves remain unchanged at $2,000,000 and $2,500,000, respectively. Guaranteed accounts etc., have declined from $5,321,540 to $3,507,430.

Among assets, cash on hand shows a sharp increase from $140,230 to $836,455. Sundry time and call loans have been reduced, now amounting to $493,636 as against $2,102,838 a year ago. Mortgage loans also show a reduction from $1,113,806 to $894,181. Securities owned by the company are shown on the balance sheet at $5,695,343 compared to $6,125,181 at the end of 1930. Buildings and other property of the company are carried on the books at $330,758, or $10,000 less than in the preceding year. Other assets show little change at $314,001.

Had Good Year

In addressing the annual meeting, Sir Herbert Holt, president, stated that with one exception, every department had shown a moderate increase in earnings over the previous year, the exception being the corporate trust department, where there was a small decrease in profit. This was due primarily to corporations offering fewer bond issues to the public. Notwithstanding this, however, the company had during the year been appointed trustee for new bond issues totalling $149,000,000.

Accounts Bulk Large

The guaranteed trust account, consisting of call loans on bonds, stocks, etc. of $20,435,273 and cash in bank of $3,605,135, totalled $24,040,408. The estates, trusts and agency account totalled $760,824,823. Estates and trust under administration increased during the year about $24,000,000 and safe custody business about $7,500,000.

It was stated that the company had written down all depreciation in security investments, including Dominion of Canada bonds, these being taken in the statement at market value as at the end of the year.

It was further announced that during the year the company's subsidiary, Montreal Safe Deposit Co. had moved to new quarters.

Maintain Dividend Rate

In view of the company's satisfactory earnings statement and the prospect that earnings will be maintained, it was announced that the directors felt justified in continuing the dividend at the current rate of 17 per cent.

J. S. MITCHELL COVER CHARGES FOR PAST YEAR

Balance Sheet Strengthened by Retiring More Preferred

From Our Own Correspondent

MONTREAL.—After taking care of all operating expenses, preferred dividends, and a dividend of $2 a share on the common stock, J. S. Mitchell Co. of Sherbrooke, carried forward a balance of $4,239 to profit and loss account as a result of operations in 1931. The surplus was not as large as that reported in the preceding year, but considering the changed conditions, the result is very satisfactory.

Profits for the year amounted to $58,985 as against $110,403 in the preceding year. There was a decline in preferred dividends from $27,692 to $24,746, as a result of the retirement of preferred stock during the year. Common dividends paid in 1931 totalled $30,000.

Write Down Bonds

Adjustment for income tax affecting prior years, premium redemption of preferred and write-off on Dominion of Canada bonds reduced the surplus by an amount of $18,525, leaving $334,746 to be carried forward into the current fiscal year.

Details of the profit and loss account for the past two years follows:

	1931	1930
	$	$
Net income	58,985	110,403
Pfd. divid.	24,746	27,692
Balance	34,239	82,711
Com. divid.	30,000	......
Surplus	4,239	82,711
Prev. bal.	349,032	266,322
Total	353,271	349,032
xAdjust.	18,525	......
P. & L. bal.	334,746	349,032

x—1930 income tax $2,808; premium on pfd. redeemed $2,097, and Dom. of Canada bonds written down to market $13,625.

Balance Sheet Improves

The balance sheet position of the company as at the end of 1931 shows an improvement over that reported at the end of 1930. A reduction of $18,000 was effected in the mortgage, which now stands at $82,000. Some $40,000 of preferred stock was retired, the amount of that issue now outstanding totalling $340,000. Current liabilities have been substantially reduced, amounting to only $135,994, as against $204,448 at the end of 1930.

Total assets of the company now amount to $1,233,186 as against $1,373,926 at the close of 1930. Working capital stands at $697,004. compared with $753,023 in the preceding year.

Among assets, cash stands at $149,155 as against $173,603. Receivables have been reduced about $79,000 to $339,055. Investments have been written down from $125,267 to $119.596. Fixed assets now stand at $397,722, compared with $421.654 a year ago.

Reviews Year's Operations

In his remarks to shareholders, John C. Newman, president, had the following to say in part:

"The net profits for the year after making ample provision for depreciation on buildings, equipment and providing for income tax, amount to $58,985.

"After paying dividends on preferred stock amounting to $24,746, and dividends on common stock amounting to $30,000—and after writing down inventories, and Dominion of Canada bonds to market prices, the surplus account has been drawn on to the extent of $14,286, of which $13,625 represents depreciation in value on Dominion of Canada bonds which should only be temporary, leaving $334,746 at the credit of surplus account.

"Our current position is strong—by referring to the statement it will be found that there is enough cash in the bank and Dominion of Canada Victory Bonds to discharge every debt it has to the public.

"The company's buildings and other assets have been maintained in a high state of repair."

Nelson Jam Plant Active

The McDonald Jam Factory at Nelson put up approximately 50 carloads of jam during 1931, valued at about $150,000, while at Brilliant the Doukhobor Jam Factory put up 26 cars valued at $65,000 as well as one car of canned tomatoes valued at $2,036.

Scott Paper Co. Does Well in 1931

From Our Own Correspondent

MONTREAL.—Scott Paper Co. and subsidiaries, which purchase in Canada to some extent a large proportion of their pulpwood supplies from the Minas Basin Pulp Co. at Hantsport, N.S., report net profits for the year ended December 31, 1931 of $997,361. This was after depreciation, depletion, interest, federal taxes, etc., and was equivalent after preferred dividends to $4.94 a share on 168,572 no par shares of common stock outstanding at the end of the year. This compares with $986,846, or $5.06 a share, on 162,059 common shares outstanding at the close of the preceding year.

Results of operations recorded on the books of the subsidiaries in Canadian dollars have been converted into United States dollars and included at monthly average exchange rates for 1931.

Details of Income

Consolidated income account for 1931, 1930 and 1929, compares as follows:

	1931	1930
	$	$
Net sales	8,816,411	8,483,361
Costs & exp.	7,300,844	6,969,306
Depr. & depl.	401,862	396,090
Prf. on sale	1,113,705	1,117,965
Other inc.	43,258	39,473
Total inc.	1,156,963	1,157,438
Interest, etc.	22,878	36,700
Federal tax	136,154	133,892
Net profit	997,361	986,846
Pfd. divs.	165,084	165,733
Common divs. (cash)	229,429	220,573
Surplus	602,848	600,540

B. C. MAY FORCE MUNICIPALITIES BY LEGISLATION

Would Prevent Cities from Avoiding Payment of U. S. Funds

From Our Own Correspondent

VANCOUVER.—Legislation compelling municipalities to live up to the spirit of their obligations as well as the letter of the law may be introduced at the next session of the British Columbia legislature as a result of the movement sponsored by the Victoria City Council to pay interest on bonds held in the United States in Canadian funds. The provincial government has evidenced considerable concern at Victoria's threat to disregard the understanding that the interest should be paid in United States funds.

The Victoria situation, which may be remedied by negotiation in time to forestall the legislative intentions of the government, is regarded here as a matter of vital importance inasmuch as it might affect the financial standing of the whole province.

Some time ago it was announced that Victoria would pay interest on its bonds in Canadian funds, although payment in gold in New York was called for. The government immediately stepped in and said that nothing of this sort would be tolerated. Bankers also protested, and brokerage houses in Eastern Canada filed their objections with Victoria. Thereupon the Victoria council announced that it would pay in gold as previously.

Reversal of this decision was threatened when Julie de Blacquere, a Victoria ratepayer, announced he would appeal to the courts to prevent the council from paying more than is required by the strict letter of the law. At the City Hall, it was stated that while the city would pay in gold interest on all bonds specifying gold payment, it would pay in Canadian funds bonds which, on their face, were payable "in the lawful currency of Canada," even though the coupons or the bonds said "payable in New York." The face of the bond, not the coupon, must govern payments, city officials stated.

The provincial government protested again, claiming that the moral right should be regarded as well as the legal one, since the bonds were sold to Americans on the clear understanding that they were redeemable in American money. It was pointed out also that the city has always paid in American funds in the past and has never raised the present legal technicality. In any case, government officials contend that "the lawful currency of Canada" is gold, and that a lawful Canadian dollar is a gold dollar. They quoted recent statements of Premier Bennett to the effect that Canada, for purposes of legal obligation, is on a gold standard.

New York Out Of Alexandria Canadians In

Owing to delays in consummating the agreement with the Alexandria Gold Mines, the International Mining Corp. of New York, is now definitely out of the deal to finance Alexandria's operations.

The original offer made by International Mining was to spend $4,000 a month for three months and make an examination of the property, after which, if conditions justified it a 100-ton mill was to be built and placed in operation. In consideration of this, International Mining was to receive 50 per cent interest in the Alexandria Mining Co. holding title to the property. In an effort to drive a better bargain, delays occurred that led to Toronto interests taking International's place. As The Financial Post goes to press a meeting is being held by the Toronto interests to approve of the deal. Ample funds are available for bringing Alexandria into production and immediately the agreement is signed the required funds are to be transferred that will enable the programme to be carried out.

An interesting angle of the situation is that when the New York group learned that Toronto capital would enter the picture, it capitulated and offered to live up to the original terms.

NOTICES

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MORTGAGE INVESTMENTS

A Statement of a Sound Position

Balance Sheet, December 31, 1931

ASSETS

Real Estate:		
Office Premises	$210,990.17	
Other (Held for Sale)	16,211.29	
		$ 227,201.46
Mortgages on Real Estate		3,567,110.58
Agreements for Sale		54,224.34
Loans on Collateral		30,000.00
Loans to Policyholders on Security of Their Policies		1,257,730.54
Bonds and Debentures at Amortized Book Value (Including Those in Default at Market Value)		2,391,699.04
Stocks at Market Value		81,474.00
Cash on Hand and in Banks		14,838.33
Outstanding Premiums Due and Deferred (Net)		319,423.96
Interest Due and Accrued		180,697.64
All Other Assets		739.68
Total Assets		$8,125,139.62

LIABILITIES

Policy Reserves According to Statutory Requirements	$6,846,054.00
Reserve for Unpaid and Unreported Claims	47,560.75
Policy Proceeds left with the Company, Including Interest Accumulations	32,119.03
Premiums Paid in Advance	12,956.04
Agents' Credit Balances	38,716.04
Taxes and Expenses, Due and Accrued	27,000.00
Borrowed Money	267,000.00
Commuted Payments not yet Due re Policyholders' Mutual	18,052.56
Other Liabilities	1,442.02
Investment Reserve	125,000.00
Capital Paid in	655,015.90
Surplus	54,223.28
Total Liabilities	$8,125,139.62

Premium Income $1,334,781.00
Total Income $1,740,573.65
New Policies Issued and Revived $7,119,296
Insurance in Force $51,355,672
Ratio of Actual to Expected Mortality 40.0%
Average Rate of Interest Earned 6.17%

THE ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE WATERLOO, ONTARIO
2175

Current Events in Banking World

THINKS STERLING EXCHANGE BASIS MAY OUST GOLD

Donald M. Marvin Emphasizes Need of Stable Measure of Values

Emphasizing the importance of maintaining money as a stable measure of value, and suggesting that until gold countries can devise some means of raising their prices and create manageable machinery which will ensure a greater measure of stability, other countries will hesitate to resume the gold standard, Donald M. Marvin, economist of The Royal Bank of Canada, projected the possibility of a new system of money and exchange being adopted, based on a central unit intelligently managed and stabilized in relation to the index numbers of the price level, as a substitute for gold.

He declared that sterling is the logical basis of such a system, owing to the traditional position of sterling as the world's medium of exchange, the position of London as the world's banking centre, her wealth of experience, her splendid banking system, at the centre of which the Bank of England operates without the stringent restrictions and inhibitions of the central banks of France and the United States—a combination ideal for the purpose. With the exception of Canada, Mr. Marvin said, no basic changes would be necessary within the Empire

The Scandinavian countries, which immediately followed sterling off the gold basis, have seriously discussed stabilizing their currencies in terms of sterling. He thought it needed no great stretch of imagination to visualize a similar change in other European countries as well as in Japan and South America. He also observed that should the value of gold decline to a point where gold currencies are again quoted at par in sterling, which means that the price level of gold countries would rise to the price level of Great Britain, all sterling countries would be virtually back on the gold basis.

Surveying the trend of the price level in the United States Mr. Marvin sounded a note of warning that while the anti-deflation measures now being taken are essential, it is possible that in the not too distant future it may be necessary to take measures to arrest advancing prices, this possibility being accentuated by the fact that many countries are off the gold standard.

Post-war events and the fact that inflation can be carried to unlimited lengths, while deflation must in time burn itself out, has led to a tremendous emphasis being placed upon the disastrous results of inflation, said Mr. Marvin.

Defines Relation of Bank With Retail Merchant

Branch Bank Manager Tells How He Looks at Merchants' Statements and How Co-operation is Achieved

By J. B. PRIESTMAN, Imperial Bank of Canada, Manager, Bloor and Yonge Branch, Toronto.

The question "How does a bank manager look at retail merchants' statements?" resolves itself into a question of what a bank has the right to expect from a customer and a customer from his bank.

Speaking primarily to the merchant, who has not been and who does not contemplate being even an occasional borrower — get acquainted with your bank manager, let him know who you are, flatter him some time by asking his advice. You don't have to take it, and anyway it never hurts to get someone else's idea. Sometimes we can all get too close to our job and miss something that is quite obvious to an outsider.

Asking For Loan

Having made yourself known, if you subsequently want any assistance, your manager at least knows something about you. Give him as much advance notice as you can. No one likes to have anything sprung on them, which could have been avoided. When the request is made, if for a loan, keep in mind that a bank rarely has difficulty finding an outlet for its loanable funds. Its chief concern is to keep its loans liquid and, having in mind that it is really handling the trust funds of its depositors and shareholders, to so put out its money safely to earn a fair return and to afford all possible support, directly and indirectly, to the basic industries of the country at large.

Hence, the question to which so much offence is sometimes taken "What do you want the money for?" and "When can you pay it back?" Don't expect a permanent loan even against good securities. If this plan were followed, the bank would soon have no money for you, or anyone else. If possible, submit a definite plan of repayment, be it from income, incoming receipts, or what-not.

Term of Loan

May I emphasize that it is not part of the functions of a commercial bank to furnish fixed or permanent capital, but that its sphere is, or should be, limited to transactions which will reasonably take care of themselves within a reasonable time. Any bank whose obligations are payable on demand, that departs from this principle, is heading for trouble sooner or later. There is a general impression that the resources of a bank are unlimited, whereas they are limited by the amount of deposits, and, therefore, "no deposits, no loans," which is the reason why a bank's first duty is to its depositors.

Now when a request for a loan is made, especially if at a time when the demands for money are particularly heavy, the question arises "Just what value is there in this account? Is the man an old customer? Has he kept fair balances in his current and savings accounts from time to time, or does he, when he has any surplus funds, invariably put them elsewhere to obtain a higher rate of interest? If he buys bonds, does he give his bank the business, or, does he go to a bond house? Where does he keep his safety deposit box? When he travels, where does he buy his travellers' cheques, drafts, money orders, or letters of credit?

Don't think for one minute that the bank claims any right to dictate along these lines, but these factors are considered, and, as I said before, it is a poor rule which won't work both ways, and a customer, who has reasonably given his bank the full benefit of his business, be it large or small, has every right to expect that he shall receive every possible consideration when he does want something a little out of the ordinary.

A Few "Don'ts"

Now, referring more particularly to business accounts, I would add the following. Advise your bank as early as possible of your requirements, estimate them as closely as possible. Don't hesitate to ask for what you feel you will need, but don't demand an unreasonable amount "just to see if you can get it." The chances are that the bank has, at some of its many branches at least, other customers with a business similar to yours and has a pretty good idea of what assistance you should require. Also, remember that easy credit, which may lead to over-stocking and laxity in collections, may prove just as detrimental to business as restricted credit.

If you find you are to require more than you arranged for, go in and have your credit enlarged, don't just go ahead and issue your cheques.

Don't over-state your ability to repay, but if you find you cannot keep up reductions as planned, say so, and why. Arrange your notes at, or before, maturity, not a day or a week after. Your manager certainly is quite satisfied with your responsibility, or he wouldn't have extended you the advance in the first place, but, without adequate reason, an overdue note is no asset to a customer's banking relationship. When you have a substantial line of credit, keep reasonable free balances, and keep away from casual overdrafts as much as possible.

Auditor Important

Employ a good auditor. Needless to say, there are auditors and auditors, and the bank places much more reliance in some than in others. I am not referring to size. Your auditor can, and should, be of great assistance to you.

Don't "kid" yourselves and your banker with your inventories and accounts receivable; if your stock should reasonably be written down, or a reserve provided for bad debts, do it. Proportions, naturally, vary with the seasons and types of business, but your bank probably has a pretty good idea of what your inventory, or your outstanding accounts receivable should be in relation to your turn-over. These proportions are entirely relative and vary tremendously with the line of business, the trade catered to, the basis of selling—whether cash or credit, or both—and, of course, general conditions. Keep your bank posted on how things are going with you. If they are tough, you no doubt have good company, and don't save up all the bad news until you bring in your new statement.

Don't be stingy with the securities your bank asks for, if you have no valid reason for withholding them. Assuming that your banker is reasonable, it does not hurt to give him what he wants. The head office of a bank has an endless number of accounts to keep in touch with, and the greater the percentage which are so directly secured that they can be practically disregarded from a checking standpoint, naturally, the better they are pleased, and the greater is the relative value of that particular account.

Insure Properly

Keep your plant and stock reasonably insured. You may consider you can take a chance. If you are financing yourself and a serious fire loss would not cripple or seriously embarrass you, that is your privilege. If, however, you require to lean on your bank for any considerable assistance, that is a horse of another color.

This brings up the question of life insurance payable to, or intended to benefit, your business in the event of the death of yourself, or an associate, or employee. Many a business has been severely handicapped through losing a directing head, or through the necessity of depleting its cash resources to pay succession dues, legacies, or the firm interest of a deceased, whose beneficiaries require the capital he had invested.

Turning to the other side of the picture, the merchant is entitled to every possible support from his banker, particularly when the going is rough. Assuming that he has given his bank a reasonably profitable account during the good years, that he has played the game to the best of his ability, that his business is fundamentally sound, then he is decidedly entitled to expect that his bank manager will not take the line of least resistance and tell him "Sorry old man, but we can't do anything for you," but rather to work shoulder to shoulder with him to bring his business again back to the point where it is profitable to both.

The merchant is entitled to fair rates and any advice that may be within the powers of the bank manager to give or obtain for him. If he is not satisfied with any charge made, the branch manager will be only too glad to explain it.

The merchant is entitled to know exactly where he stands and what he may expect without any equivocation or beating around the bush. He is entitled to courteous and intelligent co-operation. If he doesn't get what he thinks he is entitled to, rather than carry a grouch, he should have a show-down, and if he feels he can do better elsewhere, that is his privilege; but he should always make sure that he has not been misled by an easy promise. Remember that a bank is no different from any one else, it is most anxious to build up its business and the only sure way is by retaining the good will of its customers and its reputation for cooperation and fair dealing.

Bank Chat

The Dominion Bank announces the following staff changes:

L. G. BABCOCK, formerly accountant at Sherbourne and Queen Sts. branch, Toronto, has been appointed accountant at Yonge and Hayden Sts. branch, Toronto.

O. R. IRWIN, formerly accountant at Yonge and Hayden Sts. branch, Toronto, has been appointed accountant at Spadina Ave. and College St. branch, Toronto.

E. W. McCONNELL, formerly accountant at Avenue Road branch, Toronto, has been appointed accountant at Bloor and Bathurst Sts. branch, Toronto.

J. R. MORRISON, formerly accountant at Spadina Ave. and College St. branch, Toronto, has been appointed accountant at Sherbourne and Queen Sts. branch, Toronto.

R. E. THWAITES, formerly accountant at Bloor and Bathurst Sts. branch, Toronto, has been appointed accountant at Avenue Road branch, Toronto.

W. A. VALLANCE has been appointed accountant at Huntsville, Ont.

Canadian Bank of Commerce announce the following staff changes:

A. E. STRINGER, assistant manager, Toronto branch, appointed an inspector at head office.

A. G. SHATFORD, assistant inspector, appointed an inspector at head office.

J. B. FEENEY, formerly manager at Onoway, Alta., appointed manager at Cayley, Alta.

C. E. BECKETT, formerly manager at Foxwarren, Man., appointed manager at Eagle Place, Brantford, Ont.

H. B. ROBINSON, formerly manager at Cayley, Alta., appointed manager at Onaway, Alta.

J. C. WOLFRAIM, manager, Bank of Toronto, Kitchener, was elected president of the Kitchener Clearing House Asociation at the 16th annual meeting held recently.

E. LOFTUS, K.C., addressed the members of the Winnipeg Banker's Lecture Club recently. His subject was "Bills of Exchange." G. D. Ritchie, western superintendent, Imperial Bank, presided.

J. R. FRENCH, manager of the Walkerville branch of the Provincial Bank of Canada since its opening in 1920, has been appointed superintendent of branches at the head office in Montreal.

J. J. OLSCAMP, formerly assistant manager of the Walkerville branch, Provincial Bank of Canada, has been appointed manager.

Bank Officers Attend Meeting

Among the out-of-town officials of The Dominion Bank who visited Toronto on January 27 to attend the annual meeting of shareholders were: F. L. Patton, R. K. Beairsto and R. C. Paton, Winnipeg; M. S. Bogert, J. K. Muir and J. B. O'Neill, Montreal, and A. W. Rice, New York.

Kitchener Clearing House

At the recent annual meeting of the Kitchener Clearing House Association the following branch managers were elected officers for the ensuing year: president, J. C. Wolfraim, Bank of Toronto; vice-president, D. A. MacMillan, Bank of Montreal; secretary, A. J. Cundick, Bank of Nova Scotia; manager, W. H. Hill, accountant of the Royal Bank.

Monthly Bank Clearings

Eastern Cities

	Jan., 1931	Jan., 1932
Halifax	$ 12,904,388	$ 10,696,991
Saint John	9,598,765	8,427,078
Sherbrooke	2,982,066	2,394,631
Quebec	23,197,113	18,165,211
Ottawa	25,493,563	22,222,031
Montreal	506,450,117	339,180,779
Kingston	3,077,904	2,055,681
Peterboro'	3,473,426	2,638,369
Toronto	489,377,943	336,321,389
Hamilton	21,413,788	16,952,343
Brantford	4,530,371	3,360,095
London	13,866,105	11,445,628
Windsor	13,071,390	9,771,495
Chatham	3,004,696	2,070,142
Sarnia	2,637,978	1,777,316
Sudbury	3,130,335	2,176,266
Moncton	3,250,209	3,248,299

Western Cities

	Jan., 1931	Jan., 1932
Fort William	$ 2,764,521	$ 2,213,039
Winnipeg	141,546,405	125,905,069
Brandon	1,822,820	1,358,814
Moose Jaw	3,980,312	2,509,387
Regina	15,472,231	14,567,761
Saskatoon	8,436,565	6,018,650
Edmonton	21,263,120	17,685,320
Calgary	31,319,291	....
Medicine Hat	947,777	768,441
New Westminster	2,841,284	2,053,551
Vancouver	70,464,363	56,631,566
Victoria	8,657,810	6,680,165

Weekly Bank Clearings

Eastern Cities

	Jan. 29, 1931	Jan. 28, 1932
Halifax	$ 2,636,542	$ 2,102,670
Saint John	2,092,462	1,727,557
Moncton	660,233	608,645
Sherbrooke	582,956	515,001
Quebec	4,266,523	3,872,851
Ottawa	4,588,438	4,268,229
Montreal	106,043,395	85,268,572
Peterboro'	654,652	468,854
Toronto	93,158,248	68,197,905
Hamilton	4,217,415	3,301,849
Kitchener	1,001,235	772,193
Brantford	838,516	624,689
London	2,311,507	2,225,391
Chatham	592,976	419,349
Windsor	2,728,330	1,931,366
Sarnia	425,327	306,871
Sudbury	662,783	472,950
Kingston	507,414	483,658

Western Cities

	Jan. 29, 1931	Jan. 28, 1932
Fort William	$ 462,972	$ 368,897
Winnipeg	25,921,754	23,748,456
Brandon	344,294	295,904
Moose Jaw	824,113	510,270
Regina	2,853,625	2,612,252
Saskatoon	1,387,711	1,107,080
Prince Albert	263,072	239,908
Edmonton	6,806,052	3,256,548
Medicine Hat	174,169	160,024
Lethbridge	340,254	275,136
New Westminster	553,093	412,060
Vancouver	14,738,764	12,448,329
Victoria	1,112,927	1,327,406
Calgary	6,806,052	4,475,563

FRIEND OF YOUR FAMILY

CHARTERED TRUST AND EXECUTOR COMPANY is certainly more than a corporation acting in fiduciary capacities. Chartered Trust and Executor Company when appointed as your personal representative under your Will also becomes a *"Friend of Your Family"*; ready and willing at all times to assist your beneficiaries with their life's problems.

Chartered Trust and Executor Company is proud of its record, especially in its capacity of conservitor of estates for widows and children.

CHARTERED TRUST AND EXECUTOR COMPANY
34 King St. West, Toronto 2
132 St. James St. West, Montreal, Que.

President:
JAMES Y. MURDOCH, K.C.
Vice-Presidents:
W. S. MORDEN, K.C. JOHN J. GIBSON and Gen. Mgr.
Secretary: E. W. McNEILL

THE
Western Empire Life
ASSURANCE COMPANY
Extracts from 1931 Report

ASSETS	$2,031,091.10
PREMIUM and INTEREST INCOME	$ 362,181.91
POLICY and SPECIAL RESERVES	$1,561,582.81
INSURANCE ISSUED	$2,675,733.00

President: R. W. CRAIG, K.C.
General Manager: F. C. O'BRIEN
HEAD OFFICE — WINNIPEG, MAN.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)

Capital (fully paid)	£ 3,780,192
Reserve Fund	£ 3,780,926
Deposits	£49,416,137

General Manager
Sir Alexander K. Wright, K.B.E., D.L., LL.D.

TRADE WITH GREAT BRITAIN

The ramifications of the Bank throughout Great Britain and the entire World enable it to handle every description of British, Colonial and Foreign Banking business.

LONDON — *City Office:*
3 Bishopsgate, E. C. 2
Head Office:
EDINBURGH
247 BRANCHES IN ALL
Affiliated Bank:
Williams Deacon's Bank Ltd.
(Members of the London Bankers' Clearing House)

Insurance for Buyer and Seller

TOTAL BUSINESS OF GREAT WEST NOW $616,536,000

Third Largest Canadian Life Company Issues 1931 Report

Ranking third among all Canadian companies with business in force at the end of 1931 of $616,536,000, Great West Life Assurance Co. in its 39th year, reports business issued of $60,842,657 as compared with $73,931,446 a year ago. In spite of a generally difficult year the company increased business in force to the above-mentioned figure by $2,000,000.

Analysis of the company's assets shows a total of $135,571,000, an increase of $6,424,000 over 1930. Of total ledger assets the company has 32.8 per cent, or $41,487,000 invested in bonds and debentures; 24.6 per cent in city mortgages and properties and totalling $29,517,000; 21.6 per cent in policy loans, which now stand at $27,379,000, as compared with $23,484,000 a year ago; and 19.2 per cent, or $20,338,500 in farm mortgages. Other assets include outstanding and deferred premiums at $4,226,000 as against $4,091,000 a year ago and interest due and accrued of $4,741,000 as against $3,991,000 in 1930.

Losses Are Small

Commenting on the company's investments, G. W. Allen, president of the company said:

"In view of the decline in values which has been witnessed during the past year with respect to securities and property of all kinds, it would be idle to claim that this company has entirely escaped the general experience. The net losses actually incurred by us during 1931 on the sale or realization of assets have been comparatively small. Our problem, however, has been to estimate the losses that may occur in the future when our investments mature or are otherwise realized. In making such estimates the present market values are by no means a reliable guide and so our statistical and inspection departments have made extensive and minute investigations into the conditions affecting each item of our assets. As a result of such detailed study we decided to transfer $1,500,000 from surplus to contingency reserve and in addition we have written down our investments rigorously.

"As an indication of the situation ensuing upon these measures, I may say that the market values of all of our bonds, debentures and stocks now exceed their book values by $375,000 on the valuation basis authorized by the Dominion Insurance Department."

Change in Reserve

In view of the above-noted change in the company's surplus and reserve fund, free surplus at the end of 1930 stands at $1,835,000 as compared with $3,414,000 a year ago, while investment reserve is now $2,500,000 as compared with $1,000,000 at the end of 1930.

Comparative figures for leading items in 1930 and 1931 are as follows:

	1931	1930
Business	$	$
Business issued	60,842,657	73,931,446
Business in force	616,536,322	614,405,447
Income		
First year prem.	1,577,443	1,940,267
Other premiums	18,617,698	17,619,661
Interest, rents, etc.	6,248,940	5,967,584
Assets, Etc.		
Bonds & debs.	41,486,629	40,605,788
City mortgages	29,516,595	49,991,851
Farm mortgages	20,338,526	
Policy loans	27,378,786	23,484,553
Outstand. & def. prem.	4,226,264	4,091,163
Int. due & accr.	4,740,868	3,991,089
Contingency res.	2,500,000	1,000,000
Surplus	1,835,235	3,413,907

Insurance Inklings

JACK GOLDEN and MAURICE VALLEE, representatives of the Imperial Life's Montreal downtown branch, head the Senior Production Club of that company as president and vice-president respectively for 1932.

S. J. M. GLAZIER, formerly of Owen Sound and Wiarton, has returned to the service of the Northern Life Assurance Co., London, Ont., and has taken charge of his former territory and some additional points.

Fire Hazard Of Philately Now Solved

Some time ago the enterprising inland marine department of the Aetna group of companies embracing Automobile Insurance Co. and the Standard Fire Insurance Co., announced a stamp collectors' insurance policy to cover the hazards and risks that attend the labors of a philatelist.

Since introducing this policy the fire prevention engineers of these companies have been pondering over the problems of philately and have discovered that no longer need enthusiasts use inflammable benzine for detecting watermarks. Here is the story of the discovery as told in the Aetna agency bulletin.

"Since the earliest days of stamp collecting, philatelists have indulged in the dangerous practice of using benzine for detecting watermarks. The hazards of using benzine in an open receptacle are well known, but apparently have been overlooked by stamp devotees. In addition to the risk of fire with resulting damage to stamp and other property as well, there is also the danger of serious injury from burns when benzine is kept in the house and used in the watermark detector. There are many ways that a fire may be started when a highly inflammable fluid such as benzine is used in an open dish. Many collectors smoke while busily engaged in using a watermark detector. Ashes from a cigarette or cigar might quickly cause a fire with disastrous results.

"In a series of experiments with various fluids, it was found that carbon tetrachloride, a harmless non-inflammable liquid, has all the advantages of benzine for the purposes of the collector, and none of its disadvantages. Used in the watermark detector, carbon tetrachloride quickly reveals the watermark if one is present, yet it in no way harms the stamp itself or the postmark of a cancelled specimen. It is far superior to benzine from a safety standpoint. Furthermore, carbon tetrachloride is inexpensive and can be obtained from any drug store."

Institute Offers $250 For Insurance Essay

Canadian Institute of Insurance, Winnipeg, has announced an essay competition on the subject "The history and Development of Insurance in Canada."

A prize of $250 is offered for the best essay on this subject, which must not be less than 10,000 words. The competition is open to any resident of Canada and the closing date is June 30, 1932. Further details of the competition may be obtained from the secretary of the Institute, P.O. Box 205, Winnipeg.

The Institute is desirous that the essays specialize in fire insurance and that where possible, they should be accompanied by copies of old documents, policies, fire marks and pictures of fire apparatus.

Investment Policies Now on Increase

In the third quarter of 1931 the volume of retirement income and similar forms of insurance written by the Travelers Company of Hartford, represented approximately 19 per cent of the total business written. It passed the volume of "20 pay life" and shows signs of even threatening ordinary life its position of leadership, according to James E. Hoskins, assistant actuary of the company.

Mr. Hoskins states that there is no reason to believe that the retirement income policy has reached the peak of its popularity, and points out that the investment forms of life insurance have gained tremendously in prestige during the past two years, which has not yet been fully reflected in production figures.

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

EXCELSIOR LIFE ISSUES 19,024,000 OVER PAST YEAR

Business in Force Now Totals $98,020,000—Income Higher

New business issued and revived by the Excelsior Life Insurance Co. amounted to $19,024,000 in 1931, as compared with $23,300,000 in 1930, according to figures submitted at the company's annual report last week. Total business in force now amounts to $98,020,000, as compared with $100,082,000 a year ago. Both premium income and income received from interest, dividends, etc., is higher than a year ago, while total disbursements to policyholders during the year were just over $2,000,000 as compared with $1,541,000 in 1930.

Analysis of the company's assets shows that bonds and stocks held by the company had a book value at the end of the year of $8,532,600 and represented 48 per cent of total ledger assets. The market value of these securities was $71,500 less than market value at the end of the year, which has been more than offset by an increase in the reserve for depreciation of investments and contingencies of from $125,000 to $400,000.

Mortgages Are 23.4%

Of the total of bonds and stocks, $3,330,000, which is 18.8 per cent of total ledger assets, is represented by dominion, provincial and foreign government bonds and $2,732,000 by municipal bonds. Other leading asset items are mortgages on real estate which at $4,123,000 represent 23.4 per cent of total assets, and loans on policies which are $450,000 higher at $3,496,000.

Total ledger assets are higher by over $1,000,000 at $17,630,000, while on the liability side of the ledger in addition to the increased contingency reserve mentioned above the company shows a profit on deferred dividend policies of $618,000 and free surplus of $1,454,227 as compared with $710,000 and $1,641,000 respectively, a year ago.

Interest Rate Satisfactory

The company reports interest earnings on its investments of 5.74 per cent as compared with 5.88 per cent a year ago.

Comparative figures on leading items for 1931 and 1930 are as follows:

	1931	1930
Business	$	$
New ins. issued & revived	19,023,622	23,299,931
Bus. in force	98,020,207	100,082,086
Income, Disbursements		
Net prem. inc.	2,908,980	2,881,274
Interest, rents, etc.	939,210	892,406
Paid policyholders	2,000,065	1,540,933
Assets, Etc.		
Mortgages	4,122,813	4,351,347
Bonds & deb.	8,226,862	7,824,229
Policy loans	3,496,243	3,019,624
Total ledger assets	17,630,386	16,590,031
Res. for depr. contingency	400,000	125,000
Free surplus	1,454,227	1,640,695

Saskatchewan Creamery Output Gains

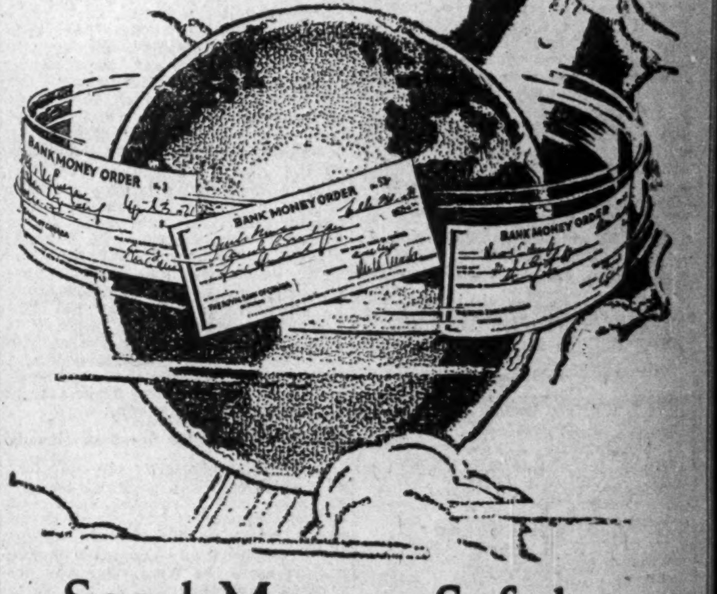
Saskatchewan's creamery butter production in 1931 set an all-time record for the province with 18,960,352 pounds, or more than 2,000,000 pounds above the previous high mark set in 1926. The total in 1930 was 13,950,561 pounds.

FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
BRITISH EMPIRE ASSURANCE COMPANY
HEAD OFFICE TORONTO

THE PRUDENTIAL ASSURANCE COMPANY LIMITED OF LONDON ENGLAND
LIFE FIRE CASUALTY

Invested Funds of all Branches Exceed - - 1170 Million Dollars
Claims Paid Exceed - - - - - - - - - 1750 Million Dollars

HEAD OFFICE FOR CANADA DOMINION SQUARE BUILDING MONTREAL
The Largest Insurance Organization in the British Empire
Established 1848



Send Money Safely

USE Royal Bank Money Orders, the most convenient and economical means of sending money by mail. Payable anywhere in Canada, the United States or the British Isles—issued in either dollars or sterling.

8122 The Royal Bank of Canada

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $5,010,673.96
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

15% Ahead- -of the last Ten Years' Average

New and Revived Insurance during 1931 totalled $19,023,622 . . . 15 per cent. ahead of the average issue of the last ten years.

A RECORD OF SOUND AND STEADY GROWTH

	Total Insurance In Force	New and Revived Insurance	Total Assets
1911	$14,921,762	$3,047,725	$2,462,22[illegible]
1921	46,000,506	10,843,600	7,180,176
1931	98,020,207	19,023,622	18,497,607

Over 50% of our Bonds are obligations of the Cities, Provinces or Government of the Dominion of Canada.

—THE—
EXCELSIOR INSURANCE LIFE COMPANY
"A Strong Canadian Company"
HEAD OFFICE - - - - TORONTO

Every one who considers Life Insurance as an Investment should have a copy of our Annual Report. Write today.

BRANCH OFFICES IN PRINCIPAL CITIES OF CANADA

Fiftieth Annual Meeting
TORONTO GENERAL TRUSTS
Records Another Year of Steady Growth

Hon. N. W. Rowell, K.C., LL.D., President, Discusses World Conditions — Mr. W. G. Watson, General Manager, Reviews Year's Progress — New Business $32,000,000 — Savings Increased by $2,000,000 — Total Assets Under Administration $225,000,000

FOUNDING OF CORPORATION AND PIONEER WORK RECALLED — TRIBUTE PAID TO EARLY MANAGEMENT

FIFTIETH ANNIVERSARY OF CORPORATION

Address of President

In moving the adoption of the Report, the President, Hon. N. W. Rowell, K.C., LL.D., said:

Fifty years ago today the Toronto General Trusts Corporation was organized. On this fiftieth anniversary one cannot but recall the faith and vision of the men who established the first trust company in Canada. To their courage and ability and that of their successors we owe the present position of your Corporation.

It will be of interest to recall the names of the members of the first Board of Directors:

President:
Hon. Edward Blake, Q.C., M.P.
Vice-President:
E. A. Meredith, LL.D.

Hon. Wm. McMaster
Hon. Alexander Morris, M.P.P.
William Mulock, M.P.
B. Homer Dixon
Aemilius Irving, Q.C.
Geo. A. Cox
William Gooderham
J. G. Scott, Q.C.
James J. Foy, Q.C.
A. B. Lee
William Elliot
James Maclennan, Q.C
J. K. Kerr, Q.C.
T. Sutherland Stayner
W. B. Scarth
Robert Jaffray

J. W. Langmuir, manager

Of these the Rt. Honorable Sir William Mulock, K.C.M.G., the distinguished and honored Chief Justice of Ontario, and the administrator of the province, is the only survivor. It is a matter of keen regret to us all that Sir William, owing to absence from the city, cannot be with us today to join in celebrating our fiftieth anniversary, but he has asked me to convey his sincere congratulations on the success the Corporation has attained during these fifty years and his best wishes for its future. I am sure I may say to Sir William on your behalf, we warmly appreciate his message. The first president was the Honorable Edward Blake, Q.C. He was succeeded in turn, by Dr. John Hoskin, Q.C., LL.D., the honorable Featherston Osler, K.C., D.C.L., and Sir Edmund Walker C.V.O., LL.D., D.C.L., all men who lent distinction to the office of president, and rendered great service to the Corporation.

The Corporation commenced its business in a small building on Wellington St. From thence it moved, in 1890, to its own building at the southeast corner of Yonge and Colborne Streets. When that building became inadequate for its expanding business, it moved, in 1912 to its present commodious quarters on Bay Street.

Pioneer Trust Company

In 1881 the idea of a corporate executor or trustee was new in Canada, and your Corporation did the pioneering work in educating the public to the great benefits of such an executor and trustee. To-day these benefits are everywhere recognized, and are shown in the remarkable development of trust company business in Canada, in which your Corporation has shared. The new business undertaken by your Corporation in the first ten years of its existence was $9,111,896, whereas in the last ten years it was $232,767,211.

During these fifty years Canada has been transformed from an agricultural country to one of the seven principal industrial nations of the world, and as such has been assigned a permanent seat on the Governing Body of the International Labor Office at Geneva. It is true the United States is not a Member of the League of Nations or of the Governing Body, but even if she were, Canada would still remain one of the seven principal industrial nations. Our growth in foreign trade has been even more remarkable. In 1880 Canada's estimated population was 4,215,000, and her total foreign trade, $156,000,000. In 1930, while our population had increased to 9,934,000, or about 135 per cent, our foreign trade had increased to $2,393,000,000, or approximately 1,434 per cent. But the growth of your Corporation has been even more marked than that of Canada's foreign trade. At the end of the first year's operations the total assets under administration amounted to $750,000, in 1891, to $6,326,580, in 1901 to $19,236,224, in 1911, to $45,086,659, in 1921, to $120,253,443, and in 1931 to $225,769,711.

The Corporation started business with paid up capital of $28,000. This has been increased from time to time to meet the Corporation's expanding business to $3,000,000, fully paid. The Corporation's Reserve, which in 1891 amounted to $161,000, has been increased during the past forty years to $3,750,000. The Corporation is therefore in the strong position of having a combined Capital and Reserve of $6,750,000.

Difficulties in 1931

As our General Manager will deal with the financial statement, I shall not trouble you with any details.

The year has been a trying one for all our industries, particularly agriculture, and for all our financial institutions, because of the general world-wide economic conditions. While we in Canada have escaped much that other countries have suffered, the situation in Canada has been accentuated by the serious crop failure in important sections of Western Canada. These conditions have affected the profits and the value of investments of all holders of securities, and your Corporation, in common with others, has not escaped, but as your Corporation has pursued a most conservative policy in its investments, the depreciation in value of securities is not so great as might have been expected. It is difficult for those in the East to realize the extent and effect of the crop failure in certain sections of the West, and it may be illustrated by the wheat crop in southern Saskatchewan during the past four years:

Year	Wheat	Price Dec. 1, Basis No. 1 Northern
1928	173,739,000 bus.	117¾ cents
1929	70,028,000 bus.	140¾ cents
1930	77,786,000 bus.	57⅞ cents
1931	19,285,000 bus.	63⅛ cents

Similar comparative figures would obtain in reference to the yield of coarse grains. The actual prices obtained for the wheat crop each year would undoubtedly be less than the figures indicated, because much of the crop would be below Number 1 Northern, but the figures as to yield indicate what the farmers have suffered through drought during the past three years, and the fall in prices of their products indicate the difficult situation which they have been compelled to face. On the other hand, their diminished purchasing power has affected all the industries of the East. We should, however, bear in mind that a large proportion of southern Saskatchewan is, under normal conditions, one of the finest wheat-growing districts in Canada, possibly in the world, and once climatic conditions have become normal, they will have just as fine crops in southern Saskatchewan as they had in 1928 and preceding years. It is a matter for satisfaction that the crops in northern Saskatchewan and northern Alberta this past year were excellent. In northern Alberta they have never had finer crops.

Assured Future for Western Canada

I visited Western Canada last autumn in company with our General Manager, and discussed with our Branch Managers and members of our Advisory Boards the business of the Corporation and general economic conditions in the West. One was impressed with the courage and faith with which the people of Western Canada are facing their problems. We were assured that last year's crop was both put in and harvested at a lower cost than any crop in recent years. The farmers are endeavoring to meet the condition of lower prices by diminishing the cost of production, and they are evidently anticipating, particularly in the areas which suffered most better crop conditions this year. They are also going more extensively into mixed farming where conditions are suitable.

I came back from Western Canada more convinced than ever of the future of that Country as one of the great wheat-producing territories of the world, and of their ability to successfully compete with all our wheat-growing Countries.

Export Markets Vital to Canada

Canada's prosperity depends upon the prosperity of our primary industries, and these cannot prosper without a satisfactory export market. Satisfactory markets depend, not only upon the requirements of our customers, but upon their capacity to pay. We are therefore greatly affected by the general world-wide depression, and we can only hope for a decided general improvement in our own conditions when some of the contributing causes to this world-wide depression have been removed. This becomes obvious when we recall that Canada's economic structure is based upon a large and increasing export trade. The settlement and development of Western Canada has been based upon the theory that we would always have available a suitable and adequate export market for our agricultural products, and the development of our primary industries of the forest and the mine are based upon the same theory. The prosperity of the industries of Eastern Canada is dependent upon the prosperity and purchasing power of the people of Western Canada. How vital a factor our foreign trade is will be seen in the fact that Canada stands fifth among the great trading nations of the world—only the United States, Great Britain, Germany and France exceed her in the value of their foreign trade, and to appreciate the full significance of this position, one must compare the population of Canada with that of these countries. One of the greatest tasks before Canada is that of securing an adequate and satisfactory export market for our primary products in the face of mounting tariffs and world-wide economic depression.

Mutual Understanding Must Be Key-Note of Imperial Conference

Everyone hopes that the Imperial Economic Conference which is to be held in July next, will be able to devise plans which will assist in solving our problem through increased inter-Empire trade. If real success is to be attained at this Conference three fundamental considerations must be kept in view: first, that trade is essentially barter, and that Great Britain and the other Dominions are already purchasing more from us than we are from them. We must be prepared to buy as well as to sell, and we must study what we can buy as well as what we can sell. Secondly, inter-Empire trade, valuable as it may be, cannot possibly provide us with an adequate export market. In 1930 our export trade to Great Britain was approximately 25 per cent., and in 1931 27½ per cent. of our total export trade. Due to the great increase in our export trade, the percentage of our total exports which goes to Great Britain has declined from 48 per cent. in 1911 to 27½ per cent. in 1931. Our export trade to the whole British Empire in 1930 was 34 per cent., and in 1931, 36 per cent. of our total export trade. Other markets we must have, and in these other markets we may have to buy as well as sell. Thirdly, we can only develop and maintain a substantial increase in our inter-Empire trade if there is reasonable assurances of its stability. There can be no stability for increased Empire trade unless the arrangement concluded is so obviously fair and beneficial to all the members of the Conference that it will be accepted, not only by the Governments, but by the peoples concerned. To conclude an agreement which might at once lead to an agitation for its repeal, would not only impair its utility as a trade agreement, but would militate against the spirit of unity and co-operation between the members of the British Commonwealth—a spirit essential to its continued existence.

With the enactment of the Statute of Westminster, which gives legal recognition to the equality of status of the Dominions with the Mother Country, the Crown remains the symbol and real bond of unity between the nations of the Empire. Canada led the way in the movement for full equality of status of the Dominions. It is now Canada's responsibility to lead the way in the development of such plans for consultation and co-operation between the nations of the Commonwealth as will ensure the continued unity and stability of the whole. Important as may be trade agreements, an adequate system of consultation and co-operation which will preserve real unity is still more important. We can make no greater contribution toward world peace and world stability than by assisting in maintaining the essential unity of the Empire through close co-operation between all of its members. But the conclusion of a satisfactory inter-Empire trade agreement cannot in itself bring back prosperity, although it may contribute towards it. The world is now so bound together into one great community that no Country nor Empire can be wholly self-contained or remain unaffected by the conditions existing outside its borders. The general political and economic situation throughout the world must be stabilized before there can be a return to real prosperity in any part of the world.

Fundamental Changes Occurring in World Economic and Political Structure

The present serious international situation is marked by a fall in commodity prices almost unprecedented, which is most seriously affecting primary producers in all lands, a fall in wholesale prices in the world as a whole far exceeding in magnitude the fall in prices that has taken place in any period of depression in the past hundred years; a decline in international trade unparalleled in times of peace; unemployment throughout the world on a hitherto unknown scale; a substantial break-down of international credit; a burden of inter-Governmental war debts and reparation payments which the debtor nations are unable to pay; a burden of military armaments greatly in excess of that of 1914; an almost world-wide suspicion and distrust of the stability of political and economic institutions in many lands, and to all of these and others one might mention there must be now added the grave and menacing situation which has developed in the East, between our Pacific neighbors, China and Japan, a situation in which we, as Canadians, cannot but be deeply interested.

We are passing through much more than a serious depression in the business cycle. We are witnessing fundamental and far-reaching changes in the political and economic structure of society, and we cannot hope to return to normal business conditions until some of the causes of the present political and economic disturbances are removed. The greatest need of the world to-day is a re-birth of good-will, of faith and of confidence among peoples and nations, to which every citizen can make his personal contribution. We need closer cooperation among the nations for the preservation of peace and the settlement of all international disputes by reason and justice rather than by the sword. One of the most hopeful factors in the present situation is that we have organizations already established in the League of Nations and the Permanent Court of International Justice available for the settlement of such disputes.

Extreme Economic Nationalism Must Be Abandoned

There must be an abandonment of extreme economic nationalism, which is curtailing international trade and impairing international credit, and a return to economic sanity. in which the nations will co-operate to restore international trade and re-establish international credit. Inter-governmental war debts and reparations should be wiped out, or so reduced that the debtor nations can discharge them. There should be a reduction in military armaments, so that the huge burden of taxation which these armaments involve may be reduced, and that the international distrust and suspicion which these armaments create, may be allayed.

The Conference on the limitation of armaments which has just assembled in Geneva may prove to be one of the most momentous in modern times. In this Conference, not only all the nations, Members of the League, but all the principal nations of the world are participating. It is the most representative world conference ever assembled. While the primary purpose is to discuss the limitation of armaments, it is inevitable that all the grave international political and economic problems which are facing the world today should come up for consideration, if not publicly, at least privately among the statesmen assembled there, and if they are not able to make some progress in the solution of some of these problems, it will be a confession of the bankruptcy of statesmanship. One cannot but believe that it is indeed most fortunate that at this particular period in our history, such a representative international conference should have been convened by the League of Nations, and that the statesmen will not prove wholly unequal to their task, but that real progress will be made toward the solution of some of the gravest of our present difficulties. There are those who suggest that the present menacing situation in the East will render the Conference abortive. Undoubtedly it will greatly increase its difficulties, and the advocates of big navies the world over will use the Shanghai bombardment to push their propaganda, and to seek to discredit all organizations working for peace. One already sees evidence of this in the press. The bombardment of Shanghai but emphasizes the urgent importance of a limitation of armaments and of curtailing the power of military authorities to work their will upon defenceless people and threaten the peace of the world. It is also fortunate that the Council of the League of Nations is now in session at Geneva, dealing with the Sino-Japanese conflict under Article 15 of the Covenant, which carries with it larger and more effective powers than Article 11, which China first invoked.

Business Recovery Dependent on Change in World Conditions

A solution of some of the more important of these major problems would give the world new hope and confidence, and would start the wheels of industry moving; would enlarge the markets and improve the prices of the products of the farm and the forest and the mine.

In the satisfactory solution of these great problems every Canadian has a deep and vital interest. They affect his home and his earning capacity, the welfare of his family and the community in which he lives. Canada can make a real contribution to their solution by her whole-hearted support of those measures essential to political and economic stability, and of those organizations for international co-operation, which, however imperfect may be their organization or operation, are still humanity's greatest hope for peace and stability in a distracted and disordered world. Viscount Grey, speaking at Westminster Hall, London, on December 11th, 1931, on the Manchurian situation and the work of the League of Nations, pointed out that one could only judge of the work of the League by contrasting the methods for dealing with similar problems before the war with the methods now employed for the settlement of international disputes, and said, "judged by that standard the institution of the League of Nations and the work it has already done are perhaps the greatest landmark of progress in the history of mankind." No public man in Europe is in a better position to judge of pre-war international methods of settling international disputes, and those now available through the League of Nations.

Canada Fortunate in Present Depression

I believe few countries have suffered less than Canada in the present crisis, and few will reach stability more quickly. One of the main reasons why we have suffered less than many other countries is the strength and stability of our banks and other financial institutions. We have entirely escaped a financial panic, and the loss and suffering due to bank failures, which have been so marked a feature in some other countries. There are, however, certain steps which we ourselves must take if we are to maintain our present position and work our way out of the present depression. We have accumulated in recent years, particularly a huge burden of governmental and municipal obligations, a substantial portion of which is due to over-borrowing and over-spending. We have been living beyond our means, and we must now face the situation and put forth our utmost efforts to meet these obligations according to their tenor. Controllable governmental and municipal expenditures should be reduced to the lowest point consistent with the efficient functioning of these organs of government, and a serious and determined effort should be made to balance all budgets. We should renew our faith in the old and homely virtues of industry, thrift and economy, from which so many of us have departed in recent years. We must face the future, not with fear, but with faith and undaunted courage, knowing that we shall win our way through just as we did in the critical years of the Great War. However great our present difficulties, the future of Canada is absolutely assured.

Until the international situation is improved and the domestic situation stabilized, your Directors feel they will be best serving the interests of your Corporation by pursuing a most conservative policy in reference to investments, and the management by exercising the greatest care so as to keep all controllable expenditures at the lowest point consistent with the highest efficiency.

May I express my appreciation of the services rendered the Corporation during the past year by the Vice-Presidents, Directors and Members of the Advisory Boards. They have given to the business of the Corporation their best thought and attention.

May I also pay tribute to the General Manager, the Assistant General Manager, the Branch Managers and the Officers and employees of the Corporation who have been indefatigable in their efforts to serve and promote the interests of the Corporation.

Address of The General Manager

The General Manager, Mr. W. G. Watson, then addressed the Meeting as follows:

The Fiftieth Annual Report of the Corporation marks a new record in volume of assets under administration, not alone in the Estates, Trusts and Agencies Section of our Balance Sheet but also in Guaranteed Funds and Savings on Deposit.

New Business Greater Than Any Previous Year But One

The total assets including our own Capital and Reserve stand at $225,769,711, an increase of $4,783,249 over the preceding year. It is of interest to observe that our Savings Department, notwithstanding the withdrawals for investment in the Dominion of Canada National Service Loan, accounted for $2,070,409 of this increase, making a total on deposit at the end of the year of $6,202,860, a result attained during two years and eight months since the opening of this Department of the Corporation.

It is also, I think, a matter for comment that in this period of business contraction the volume of normal new business committed to our care during 1931 exceeded, except for 1930, that of any other year in our history.

The Profit and Loss Statement for the year reflects to some extent the general business situation, showing a reduction as it does in profits from those of 1930 of $47,723, the Profits for 1931 being $468,506, which added to $257,715 carried forward from the preceding year left a sum of $726,221 to be dealt with by your Board of Directors. This was disposed of as follows: in the payment of the usual dividend aggregating twelve per cent., $360,000; appropriation for Federal, Provincial and Business Taxes, $70,000; for office premises and equipment, $14,399; appropriation for Investment Reserve, $200,000; with the balance of $81.822 carried forward to the credit of Profit and Loss.

In common with other financial institutions in Canada and elsewhere and investors generally in even the highest class of Government or other securities your Corporation could not expect but that in the market value of its investments certain of these would suffer some depreciation. This, however, owing to our policy of carrying short-date securities in substantial volume in our Guaranteed and Savings Section for liquidity purposes was not, under the circumstances, as considerable as one might expect.

While our Government Bonds, Municipal Debentures and other Bonds and Stocks were taken into our Balance Sheet at values somewhat below the requirements of the Registrar of Loan and Trust Companies for Ontario and substantial provision made for real estate and mortgage holdings, it was felt in view of the world economic situation and the continued low prices of primary products that as an additional measure of precaution looking to the future an appropriation of $200,000 should be transferred from surplus profits and added to our Investment Reserve. This was done as you will observe from the Profit and Loss account.

Interest on City Mortgage Investments Well Met

The interest on mortgage investments on city properties in the West as in the East, continues with few exceptions to be well met. On mortgage securities totalling over $31,000,000, secured on urban properties situated in cities from Montreal to Vancouver and with interest maturing throughout the year on dates up to and including the 31st of December, our total interest in arrears as at the close of the year was less than one-quarter of one per cent. upon the amount under investment. In respect of this large block of mortgage investments amounts totalling over ten per cent. of the principal were repaid in cash during the year either by way of instalments or in liquidation of loans at maturity. One cannot but be impressed with the liquidity shown in these securities throughout the second year of the depression.

Conditions in Western Canada Justify Confidence

One regrets that it is unfortunately not possible to make a similar statement as to the farm loan situation in Ontario and the Western prairie provinces; in the East the low prices obtaining for agricultural products being the chief cause and in the West a combination of low prices and short crops over a very extensive area. But here again it should be said that, while a substantial number are in arrears through a series of misfortunes, a fair percentage of farm borrowers have already paid their interest in full or made sizeable payments thereon.

The Western farmer is not broke—his spirit is excellent—his land is comparatively low-priced, his average yield of wheat for the ten years ending December 31st, 1930, is over three bushels per acre in excess of his closest world competitor and from five to six bushels per acre over the other large wheat exporting countries; the quality of his wheat is not surpassed by any; he has learned in the last two years how to produce a much larger percentage of his table needs and has made great headway in lowering the cost of production. He has also at hand at reasonable prices an almost unlimited supply of Canadian superphosphates, a fertilizer which, after many experiments in the prairie provinces, it is claimed will materially control weeds by hasty germination of the wheat, mature the crop at least a week earlier as well as substantially increase the yield.

With these advantages and others, agriculture is at least one of our great industries which should be encouraged and developed along sane and reasonably diversified lines. This should be done in conjunction with a scientific study of world markets with a view to establishing and maintaining a permanent demand for our products, by seeing that the quality and as far as possible the quantity is continuously available through periods when prices are low as well as in times of more favorable markets.

While our Real Estate holdings are larger than we could wish owing, chiefly, to the depressed condition of agriculture and the consequent hesitation on the part of prospective purchasers to increase their obligations, this asset is carried in our statement at a figure, which we feel is well below even the present depressed valuations as demonstrated by sales made during the year. This also applies to our conditional sale agreements.

Satisfactory Condition of Office Premises Account

Our Office Premises Account, which stands at $2,000,000, covers our Head Office and five Branch Office premises. This amount represents the cost of these premises less very substantial reductions made from time to time by way of write-offs with the result that after providing the Corporation with suitable office and vault accommodation at much less expense than we could hope to obtain by renting, the net return upon the asset as it stands is most satisfactory.

Sound Position in Government and Municipal Debentures

With reference to our investments made in Dominion and Provincial Government Bonds and Canadian Municipal Debentures, of which we hold for all accounts some $38,709,097, I am pleased to report that on this large block of securities only $1,942 of interest is in arrears, which I am sure is a most satisfactory showing.

These are securities in which Trust Companies are large investors as they are authorized for Trustees and one is pleased to see this further demonstration of their inherent worth for any portfolio for, while under the general depression they have given some ground in market price, defaults, as I have pointed out, apart from certain school districts, have been quite limited.

Economy Needed in Public Spending

In this connection, however, if the excellent standing of our Canadian Government and Municipal Debentures, built up over a long period of years, is to be maintained serious consideration must be given to, and early action taken in the matter of reducing Government and Municipal expenses of all kinds with a view to meeting as far as possible the lower prices of farm products and other primary commodities. In business enterprises throughout the Dominion careful study and unremitting effort is being given toward the reduction of costs, but taxes are weighing heavily upon the whole country, both rural and urban, and therefore constitute one of our major problems.

As we look back over the past two years in Canada we cannot but be impressed with the absence of anything savoring of panic; on the other hand we are reminded of a fine courage together with a spirit of reason and understanding which have in the main found expression in a program of co-operation based upon confidence in one another which has meant more to Canada in these trying days of economic change than we can perhaps at present fully appreciate. This spirit coupled with a love of work and an ability to adjust our affairs to meet the changing conditions of social and business life will, I am sure, enable Canada to win through these days of testing with a minimum of loss.

Fiftieth Anniversary of Corporation

As a Corporation we are celebrating our 50th Anniversary and, while one could wish for happier days in the business world for such an occasion, we at least reach the half century mark at the peak thus far in our growth and at a time of unparalleled political and economic change in the long history of human affairs.

Fifty years ago Toronto had a population of 86,000 and to-day 627,000, or if we take in the metropolitan area, 850,000. Fifty years ago Toronto's assessment for taxation purposes stood at $56,000,000, or about one-fourth of the value of the assets now under your Corporation's control. While the assessment of the city has in the intervening years grown to $1,069,000,000, I do not know that I can promise that your assets will increase during the next fifty years to four times the city's present assessment, but I feel confident that as each succeeding ten years of our past history, as pointed out by the President, far exceeded the preceding period in expansion, so will the next half century exceed the last.

Growing Appreciation By Public of Trust Company Services

One of the most gratifying features of our business in recent years is the increasing number of Wills fyled with us for safekeeping in which we are named as Executors and Trustees. In the early years of the Corporation little was known of the services of a Trust Company—a great deal of education was required — wealth was limited and the private Executor and Trustee had the bulk of the business. It is a far cry from the $750,000 of assets of the first Canadian Trust Company at the end of its first year in 1882, to the $225,000,000 in our hands to-day, or to the $2,000,000,000 and more under the control of the Canada Trust Companies at the present time.

Mr. Rowell has referred to our distinguished list of Presidents and to the Charter members of the Board, who by their influence and counsel helped to establish the Trust Company idea in Canada.

Tribute to The Late Mr. J. W. Langmuir

In the launching of any enterprise which it is hoped will fill a worthy place in the years to come, it is all-important that a leader should be found who will in wisdom and faith lay a foundation upon which an enduring superstructure may be built. This task was committed to Mr. John Woodburn Langmuir, the Company's first General Manager. Mr. Langmuir was peculiarly equipped for this responsibility and for thirty-three years directed the affairs of the Corporation with distinguished success.

Mr. Langmuir was succeeded by his son, the late Mr. Archibald David Langmuir, who, with ability and devotion, until his death in 1924, served as General Manager, during which time continuous progress was registered in the development of the Corporation.

There is one, however, of the original company of men who, fifty years ago, launched the first Canadian Trust Company, who is still connected with the Corporation, and whom we are delighted to have with us to-day; I refer to our old friend and highly-esteemed Vice-President, Mr. E. T. Malone, who as a partner in the firm of Edgar and Malone, and later as senior member of the succeeding firm, has loyally and ably served as general solicitor during these fifty years. The Corporation has had no better friend or more loyal supporter than Mr. Malone, who has throughout all the years, taken the keenest possible interest in its affairs.

In closing, I should like to express to my fellow officers and members of the staff at Head Office and Branches, my sincere thanks for the loyal and efficient manner in which they have discharged their several duties and my appreciation of their enthusiasm and whole-hearted cooperation in a year which, owing to far-reaching changes that were taking place in the economic world, has been generally recognized as one in which executive officers were charged with unusually heavy responsibilities.

The motion for the adoption of the Report was carried unanimously.

The TORONTO GENERAL TRUSTS
CORPORATION

Financial Statement for the Year Ended 31st December, 1931

PROFIT AND LOSS ACCOUNT

Balance 31st December, 1930	$	257,714.71
Net Profits, deducting all Management Expenses		468,506.51
	$	726,221.22
Appropriated as Follows:		
Quarterly Dividends, Nos. 139 to 142, 12% per annum	$	360,000.00
Federal, Provincial and Business Taxes		70,000.00
Office Premises		14,398.70
Investment Reserve		200,000.00
Balance carried forward		81,822.52
	$	726,221.22

ASSETS

Capital Account:		
Office Premises	$ 2,000,000.00	
Real Estate held for sale	629,710.26	
Mortgages and Agreements for sale	3,300,203.82	
Bonds and Stocks	43,900.03	
Loans to Trust Estates	520,687.11	
Loans on Debentures, Bonds and Stocks	93,606.40	
Cash in Banks	290,925.85	
Accounts Receivable and other Assets	85,941.50	
		$ 6,964,974.97
Guaranteed Trusts Account:		
Mortgages	$ 15,179,837.64	
Government and Municipal Debentures	5,142,132.28	
Bonds and Stocks	804,699.14	
Loans on Debentures, Bonds and Stocks	1,817,976.64	
Cash in Banks	1,061,932.73	
		24,006,578.43
Estates, Trusts and Agencies:		
Investments and Cash in Banks	62,797,867.81	
Original Assets of Estates at Inventory value	132,000,289.81	
		194,798,157.62
		$225,769,711.02

LIABILITIES

Capital Account:		
Capital	$ 3,000,000.00	
Reserve	3,750,000.00	
Declared Dividends, Income Tax and Unearned Rents	133,152.45	
Profit and Loss	81,822.52	
		$ 6,964,974.97
Guaranteed Trusts Account:		
Guaranteed Investment Certificates	17,803,717.71	
Savings Deposits	6,202,860.72	
		24,006,578.43
Estates, Trusts and Agencies	194,798,157.62	
		194,798,157.62
		$225,769,711.02

BOARD OF DIRECTORS:

President: Hon. N. W. Rowell, K.C., LL.D.

Vice-Presidents: Charles S. Blackwell, LL.D.; E. T. Malone, K.C.

Hon. A. C. Hardy
Col. John F. Michie
Hon. Sir D. H. McMillan, K.C.M.G.
H. H. Williams
Thomas Bradshaw
Wilmot L. Matthews
Archibald H. Campbell
F. Barry Hayes
Alexander Fasken, K.C.
Hon. Charles McCrea, K.C., M.P.P.
S. J. Moore
Isaac Pitblado, K.C., LL.D.
Alexander Maclaren
Paul J. Myler
W. W. Near
Albert Matthews, LL.D.
A. E. Phipps
Charles S. MacInnes, C.M.G., K.C., LL.D.
W. G. Watson
T. A. Russell, LL.D.
Victor Ross

Copy of 1931 report mailed on request.

CENSUS OF TRADE TO BE PREPARED

Survey of Home Buying Power Sought for Imperial Conference

The Canadian Chambers of Commerce in conjunction with the Canadian Manufacturers' Association are preparing to make a comprehensive trade census to ascertain how, and to what extent, Canada can participate in Empire trading plans in the future. The census will be laid before the Imperial Economic Conference which is scheduled to meet in Ottawa in July next.

Over 100 boards of trade are participating in the conduct of the survey, and questionnaires have gone forward with a view to assembling, analyzing and tabulating a complete statement by industries and industrial groups showing the fullest possibilities of Canada's export and import field.

Each member-company of the Canadian Manufacturers' Association will be asked to state in detail what materials now bought in foreign countries, it could purchase from Great Britain or Empire countries, as well as to discuss their export potentialities.

Retail Merchants Trust, Elects Officers For 1932

The Retail Merchants' Trust Co., Regina, Sask., at the recent annual meeting re-elected W. H. Cooper, Swift Current, president. N. S. Smith, Borden, was also reelected vice-president and E. H. Grimp, treasurer. Directors include Ralph Miller, Prince Albert; Garfield Wray, Regina; J. H. Craig, Rouleau, and W. L. McQuarrie, Saskatoon.

Bylaws of the company were changed to permit the president of the Retail Merchants' association of Saskatchewan being a director of the company.

JANUARY AWARDS TOTAL $12,700,000

Building Shows Slightly More Activity Than in December

New construction contracts awarded in Canada during January had a total value of $12,738,300 exceeding December figures by about 13 per cent, according to MacLean Building Reports, Ltd. Business buildings led all other groups being credited with 38.8 per cent of the new work with the total of $4,945,000. Engineering accounted for $4,720,500 or 37 per cent, while residential building furnished 21 per cent and industrial 3 per cent.

Among the more important contracts awarded were a grain elevator at Windsor, to cost $1,250,000; an office building in Toronto to cost $700,000; a commercial school at Hamilton, $572,000; a bridge at Saskatoon worth $262,000; and a sanatorium at Byron, Ont., valued at $190,000.

Contemplated work, for which contracts have not yet been let include a proposed branch railway line to connect Winnipeg with the existing Hudson Bay Railway, and eight apartment houses, to cost $1,000,000, to be erected in Toronto, Montreal, Ottawa and Quebec City.

	1932 $ 000	1931 $ 000	1930 $ 000
January	12,738	20,299	37,530
February	......	25,930	28,464
March	......	27,312	24,263
April	......	22,708	48,779
May	......	36,896	46,862
June	......	29,793	54,728
July	......	28,055	37,374
August	......	26,143	49,407
September	......	33,658	32,407
October	......	28,789	33,332
November	......	24,642	39,311
December	......	11,257	24,542

BEAUHARNOIS CO. REORGANIZATION COMING TO HEAD

Progress Reported Made in Settling Affairs of Company

From Our Own Correspondent

MONTREAL.—Recent developments in connection with Beauharnois Power Corp. would indicate that the affairs of the company will soon be straightened away and a new order-in-council issued by the Federal Government.

There is no indication of any early offering of bonds. The market is not yet ripe for such an issue.

Three banks are feeding out funds under some sort of guarantee from the Dominion government. The company is said to be watching its pennies very carefully as bank loans are not being made in any spirit of lavishness.

Hon. W. L. McDougald, R. O. Sweezey and R. A. C. Henry will retire from the board. Hugh B. Griffiths, secretary-treasurer, has already resigned from that position.

Return Sterling Proceeds

Stock handed over to the Sterling Industrial Corp. will be returned to Beauharnois. This concern was jointly owned by Hon. W. L. McDougald and R. A. C. Henry.

The government will shortly renew in substance all the conditions attaching to the original order-in-council, but new and more onerous ones will be added.

May be Retained

There would appear to be a good possibility that R. O. Sweezey and R. A. C. Henry will be retained in an advisory or other capacity, though this step will depend largely upon the decision of the new board of directors which has been named through the co-operation of the Dominion and Quebec governments and the three banks that are financing the project.

It is known that Arthur White, vice-president of the Canadian Bank of Commerce, has been offered the presidency but would accept it only temporarily, if at all.

National Steel Car Gets Cheque for Claim

From Our Own Correspondent

MONTREAL.—National Steel Car Corp. has received from the Dominion Government a cheque for approximately $580,000, representing the amount awarded to the corporation on its war claim, plus interest since the date of the Exchequer Court judgment. Though the exact sum which will be credited to the company has not yet been announced, it is evident that the present capital and surplus of $5,619,960 will be substantially increased.

Payment of the claim should be encouraging to shareholders whose no par common shares represent the sole securities outstanding. The claim has been entirely written off the company's books since 1927, so its payment comes in the nature of a windfall.

Plant activities of National Steel Car are slack at present, especially in the matter of rail equipment, a fact which can be explained, in part, by the railroad companies' deferring commitments until the report of the Duff Commission has been made public. It is said, however, that the outlook for the automobile division of National Steel Car is more encouraging since the automobile manufacturers are getting their spring schedules under way with a subsequent better enquiry from the industry.

Calgary May Seek Loan; Sinking Fund is Sound

The finance committee of the city of Calgary is considering an issue of some $500,000 of treasury bills or short term debentures to be sold locally. Financial men in the city have been approached as to the advisability of floating such an issue at the present time. Given a sufficiently attractive interest rate it is felt that the issue would be readily subscribed.

Preliminary report of the position of Calgary's sinking fund indicates that the trustees hold some $10,000,000 of high grade Dominion, provincial and municipal bonds. From 1932 to 1941, inclusive, the city has $10,535,754 of bonds maturing so that exclusive of interest due the sinking fund, the amount of bonds held practically amounts to the total of maturities in the next ten years. Gross revenue from sinking fund investments amount to about $500,000 and net an annual profit of some $100,000, exclusive of payments received from tax sale lands.

Winnipeg Electric Stock Holders Discuss Outlook

From Our Own Correspondent

MONTREAL. — Preferred shareholders of Winnipeg Electric Co. will meet in Winnipeg this week and under the chairmanship of Edward Anderson, K.C., president, to discuss "the company's position and difficulties and see if some plan cannot be evolved with the co-operation of the preferred shareholders to improve conditions with a view to enabling the company to resume the payment of preferred dividends," according to the invitations sent out by the company's president.

Inter. Paper of Nfld. Feels Water Shortage

From Our Own Correspondent

MONTREAL.—Shortage of water at Grand Falls has forced International Power and Paper Co. of Newfoundland's plant at Cornerbrook to curtail operations. No. 5 machine has been shut down indefinitely and at present the mills are running on a short working day.

Obituary

Lieut.-Col. A. T. Patterson, vice-president and general manager of the Royal Guardians Life Assurance Co. died at Longueuil, Montreal, in his 73rd year.

A. S. Donald, latterly president of the Sydenham Mutual Fire Insurance Co., died at Owen Sound after a brief illness.

Duggan Joins Shawinigan

From Our Own Correspondent

MONTREAL. — G. H. Duggan has been elected a director of Shawinigan Water and Power Co. Mr. Duggan is associated with a number of industrial enterprises, his principal connection being that of president and managing director of the Dominion Bridge Co.

C. P. R. Name Auditor General

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway announce that effective on February 1, 1932, W. R. Patterson succeeds G. C. Gahan, deceased, as general auditor of the company.

PULP AND PAPER INDUSTRY PASSING THROUGH TRYING PERIOD

Uncertain Outlook Prevails in Paper And Pulp Industry

Harold Crabtree Outlines Changes in Past Year

MARKETS UNSETTLED

Overcapacity in Many Lines of Activity and Low Prices Hold Down Earnings

Conditions in the Canadian pulp and paper industry over the past twelve months were not all that could be desired. Lack of business, and consequent slowing down of operations, were reflected in lower operating profits. Many new problems arose and the efforts of the industry's executive have been bent to finding a solution which will again place the industry on a sound footing. The way is difficult but there is no shirking of the responsibility. In the following address to the Canadian Pulp and Paper Association, Harold Crabtree, president, outlines briefly some of the problems confronting the industry and developments which arose over the past year.

During the past twelve months your industry (as will be seen by the reports of the various sections) has passed through a trying period. Some branches of the industry have, fortunately for them, fared better than others, but generally speaking the entire industry has reflected the very difficult conditions which almost every phase of industry in Canada has been subjected to. Operations have been on a greatly reduced scale and prices in some of the branches were unstable, and not profitable. Not only was the domestic trade of Canada thus affected, but similar conditions, and in many cases worse conditions, in other countries, affected our export trade. International exchange became disorganized and the general financial and political situation throughout the world created uncertainty as to what the future might hold. Thus trade between the leading countries of the world declined considerably from previous levels and Canada's export trade alone fell off by more than one-third from the previous year as a result of the lessened demand and reduced purchasing power in foreign countries, and since by far the larger share of the output of the newsprint and wood pulp industry finds a market in countries outside of Canada, it has been affected more by the conditions in foreign countries than by domestic conditions. Prices of wood pulp have been forced down to a low point owing to intensive competition and lessened demand. Curtailment of production both in Europe and in Canada failed to help the situation very materially. The difficulties of the newsprint situation were aggravated during the year by a further falling off in consumption, which permitted the mills to operate at only 58 per cent of capacity, as compared with 69 per cent in 1930.

Look to Other Products

The fine paper mills reported a decline in their output for the year which mainly reflected conditions in Canada, since only small quantities of these grades are exported. Efforts are being continued to encourage the use of Canadian-made paper and additional lines are being added to the output of the fine paper mills in order to take care of the domestic demand.

The mills making wrapping papers, waxed papers, felts, tissues and other grades have all experienced more or less the same difficulties during the year. Conditions in the paperboard industry did not show any improvement over last year, notwithstanding an increase in the rate of duty on imported fibreboard from 25 to 35 per cent, which to some extent proved of benefit in curtailing importations, but not enough to offset the loss caused by the general slackness of business. The productive capacity of the board mills was increased during the year, which did not tend to improve the situation, but it is hoped that by united effort and co-operation this branch of the industry will become more stabilized during the coming year.

Reviews Current Situation

Notwithstanding this picture, there have been many brighter aspects so far as Canada is concerned. Canada has probably suffered less than any other country from the effects of the depression, the banks of the Dominion have been able to weather the storms and maintain their position. The tariff changes put into effect during the year have been of assistance to Canadian industry, have been of benefit to labor and have caused a reduction in importations. A recent statement by the Department of Trade and Commerce at Ottawa says that, judging by the trend of Government statistics, Canada enters the new year with a feeling of quiet confidence and optimism which was not apparent at the beginning of 1931. There can be no doubt that when the upward swing does commence Canada is in a good position to take advantage of any improvements, and while no sudden rush of prosperity is looked for or desired, I believe we may claim that the worst is now behind us.

Research Work Valuable

The work being done at the Research Institute is dealt with in the reports submitted by the joint administrative committee, the department of industrial and cellulose chemistry of McGill University and the forest products laboratories of Canada. A study of these reports will show that work of great value to the industry is being carried out at the institute. Efforts have been made during the past year to keep the executives of the industry more fully informed as to this work and I believe that it is beginning to be more widely appreciated by the industry. A variety of problems is dealt with by the research workers and close co-operation is maintained with the industry through the members of the technical section and the various committees set up for that purpose. The joint administrative committee has reported that the organization is on a sound basis and that the principle of co-operation between the Government, the university and the industry seems to hold the greatest promise of results. The report of the chairman of the technical section draws attention to the difficulties under which the work has been carried on and to the necessity of co-operation if the activities of the research institute are to be of value to the industry.

Woodlands Section Progresses

Another association activity to which your attention is drawn is the work of the woodlands section. The report of the chairman of that section shows a year of valuable achievement in spite of adverse conditions. A great deal of investigative work has been carried out and we note with pleasure the willingness of the Government to cooperate with our members and to make expenditures for the benefit of the forest industries in general. Wood is our basic raw material and any investigation or research which can help to increase the efficiency of logging operations or lower the cost of wood is well worth while.

Membership in the association has been well maintained during the year. Following the last annual meeting arrangements were made to permit of the manufacturers of wall paper becoming associate members of the Association and applications were accepted from Reg. N. Boxer Co. Ltd., Toronto; Stauntons Ltd., Toronto; Watson Foster Co., Ltd., Montreal.

Only one member resigned during the year, the St. Regis Paper Co., which is not operating in Canada.

Ottawa Gives Assistance

Acknowledgment is made of the assistance received by the industry from the Dominion Government during the year. The revision of the tariff imposed increased duties on certain grades of board, greeting cards, wall paper, blotting paper and wall boards. These increases were of service to the industry in that the volume of importations was reduced and Canadian mills were able to compete in their home market on more favorable terms. The question of depreciated exchanges also had the attention of the Government and increased valuations were imposed in certain cases where prices of imported goods had been cut below reasonable levels. All this has called for greater activity on the part of the customs officials, and our tariff department has been able to render good service. The Government has also been active in the improvement of trade relations between Canada and other parts of the British Empire. A new trade treaty was negotiated with Australia and has proven mutually satisfactory. Treaties with New Zealand and South Africa are under discussion and it is hoped that they will be successfully negotiated with advantage to both parties. The coming Imperial Economic Conference is regarded as marking a most important step in cementing Empire trade and we believe that in any form of reciprocal trade between the component parts of the Empire, the pulp and paper industry of Canada should receive full recognition.

It is with deep regret that I again have to record the death of several men in the industry. Mr. C. Howard Smith and Mr. Charles Riordon were pioneers in the industry who have left their impress upon it. Mr. Angus McLean was well known for his connection with the lumber industry and later with the pulp and paper industry. Mr. E. P. Cameron and Mr. O. F. Bryant were connected with the work of the research institute and had done valuable work for the industry. The industry has been particularly hard hit during the past two or three years and the removal by death of such well-known men leaves blanks which are difficult to fill. Our sincere sympathy is extended to all those who, with us, have suffered bereavement.

Receive Co-operation

I feel it is my duty to refer to the splendid support and co-operation that the association has received throughout the year from the Canadian Paper Trade Association and its members who are distributors of the product of the fine paper mills and also to the Coarse Paper Trade Councils, distributors for the mills engaged in the manufacture of wrapping, tissue and miscellaneous grades. To the efforts of these associations is due, in a large measure, the maintenance of sales that these mills have had.

Open Winter Hinders Woods Operations

Unusual climatic conditions experienced this year have hampered woods activity. A mild winter with very little snow practically precluded the hauling of logs in some districts with the result that operations, especially New Brunswick, had to be suspended entirely for a period.

In that province it is claimed that shipments of pulpwood to date have fallen some 50 per cent below those of the same period last year owing to lack of snow for hauling purposes and in some districts logging crews have been withdrawn.

Recent dispatches state that falls of snow have been experienced and woods activity in New Brunswick is due for an upward turn.

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Canadian Pulp and Paper Association Holds Meetings

* * *

EXPORT VALUES REGISTER DROP IN 1931 PERIOD

Pulp and Paper Industry Reflects Business Conditions

Falling commodity prices and lower demand for products took toll of the Canadian pulp and paper industry's export business in 1931. Not only did volume of exports fall off but the reduced prices prevailing made inroads into the value of export business last year.

Since shipments of pulp and paper out of Canada constitute one of the most important factors in the Dominion's export business the drop in values has a definite bearing on the position of the balance of trade; details following show the reduction in value of Canada's pulp and paper exports last year.

Exports Dropped 20 Per Cent

In 1931 total exports of pulp and paper amounted to $141,550,976. This compared with $177,500,222 in 1930 and $198,278,106 in 1929. While the decline in 1929-1930 was but 10 per cent the figures for 1931 were lower than those of 1930 by 20 per cent.

Newsprint plays the most important part in pulp and paper exports. During 1931 exports were $107,233,012 or about 75 per cent of the total exports. In 1930 newsprint exports were valued at $133,280,932 so the decline last year was over $26,000,000. The decline reflects both a reduction in volume and a lower price received by the manufacturer. The serious nature of the situation is seen when these figures are compared with 1929 when newsprint exports amounted to $148,656,611.

All Divisions Affected

No other division of the pulp and paper industry passed unscathed. Though there have been periodic gains in month by month comparisons, values for the twelve months show a downward trend in every instance.

Bleached sulphite is the largest factor in pulp and paper exports next to newsprint. In 1931 bleached sulphite was exported to the value of $16,282,735 which compared with $17,954,714 in 1930 and $19,246,692 in 1929.

The decline in values of unbleached sulphite pulp was heavier. Totals in 1931 were $5,109,732 compared with $9,201,250 in 1930 and registered the sharpest drop of all divisions. Prices have been such that there is but a small margin of profit on sales.

Groundwood Exports Down

Groundwood pulp exports at $4,606,167 were steadier but were lower than the $5,967,172 reported in 1930. Shipments in December of last year showed an encouraging gain over the previous month and over December, 1930.

In sulphate or kraft pulp a decline of some $1,534,000 was noted. Exports in this division totalled $3,617,444 compared with $5,151,653 in 1930 and the 1929 figure was $7,856,486.

Exchange Plays Part

Since the majority of pulp and paper exports are made to United States the high premium on the American dollar naturally lends some encouragement to the Canadian manufacturer. Newsprint contracts with American publishers call for payment in American funds and with a premium of 15 to 20 per cent on the dollar the Canadian newsprint companies have benefitted to some extent.

The benefits, however, are largely offset by the fact that bond interest payments of most Canadian newsprint manufacturers is payable in New York funds with the result that the premium on exchange is practically entirely absorbed without any advantage to the exporter.

Newsprint

Report by JOHN H. PRICE
Chairman of Section

The year 1931 proved to be a most trying period for the newsprint industry. It was not found possible to devise a plan whereby a fair and economic price could be maintained.

Economic conditions throughout the world, and particularly in the United States, grew decidedly worse during the past year, and caused a further material reduction in the consumption of newsprint, based on the figures of 1930, amounting to 12 per cent. Production in Canada for the year amounted to 2,220,775 tons, which is a decrease of 283,372 tons as compared to the business done during 1930. The industry in Canada operated during the year at 58 per cent of normal capacity; again, a very unfavorable comparison with the production during 1930, when operations were at 69 per cent of capacity.

No New Machines

No new machines were brought into production during 1931.

It is no exaggeration to say that newsprint prices in all the markets of the world are unsatisfactory, caused by the most extreme competition, which, in turn, is brought about by over-production.

The very important part played by the newsprint industry in the affairs of this country should not be lost sight of. It is hoped that a solution of the many problems confronting it today will be found.

It is with deepest regret that the section has to record the death, during the past year, of several members—Mr.John Black, Mr. C. Howard Smith and Mr. Charles Riordon. They were loyal members of the section and rendered valuable service to the industry, as well as to this association. The industry is the poorer for their passing.

Exports of paper for the years 1930 and 1931 were as follows:

	1931 Tons	1930 Tons
United Kingdom	104,027	121,494
Cuba	5,196	8,852
Jamaica	1,083	1,012
Argentina	44,295	63,980
Other Latin America	12,038	5,450
South Africa	14,744	14,877
Australia	29,502	44,838
New Zealand	14,673	19,795
U. S. A.	1,753,414	1,819,111
All other	29,265	6,107
Totals	2,008,237	2,105,516

Chemical Pulp

Report by F. G. ROBINSON
Chairman of Section

World-wide economic disturbances bore heavily upon the sulphite markets in 1931. Because sulphite pulp is a world commodity the Canadian sulphite mills suffered in common with those of all other producing countries.

Prices held comparatively steady until early summer, when the European credit crisis became acute. Thereupon the price structure weakened steadily as the forces of deflation spread from one country to another.

From a tonnage viewpoint, the bleached sulphite branch of the industry is again able to report definite progress. Exports of this grade in the first eleven months of 1931 totalled 242,331 tons, as compared with 233,616 tons in the corresponding period of 1930.

Exports of unbleached sulphite in the first eleven months of 1931 totalled 114,951, tons, as compared with 174,256 tons in the corresponding period of 1930.

The agreement to curtail pulp production entered into by the leading producers in Europe in 1930 continued in 1931. The 15 per cent reduction agreed upon was revised during the year to extend the 15 per cent reduction through to December 31, 1932, and to increase the curtailment by another 15 per cent from July 1, 1931, to June 30, 1932. Owing to the serious decline in demand, the benefits anticipated from this curtailment have not been realized.

Labor troubles in Norway caused the pulp mills to be closed from March 14 to September 7, involving a loss in production of about 23,000 tons, including about 11,000 tons of bleached sulphite.

Study of available figures shows that the statistical position of the Scandinavian and Finnish bleached sulphite mills is much improved over a year ago. On October 1 stocks on hand were 11 per cent smaller than a year before and unsold tonnage was down 24.8 per cent.

While present uncertainties do not warrant more than general predictions, the Canadian chemical pulp industry will undoubtedly maintain its relative position in the world markets and derive full benefit from the improvement that will accompany business recovery.

Mechanical Pulp

Report by A. S. McNICHOLS
Chairman of Section

Exports of groundwood from Canada for 1926, which may be considered a key year, and for the past three years, comprising the period of acute depression in the woodpulp trade, are given hereunder:

	U.S.A. Tons	U. Kingdom Tons	Total Tons
1926	258,527	109,957	381,078
1929	181,786	21,244	209,331
1930	193,759	15,000	208,759
1931 (11 mos.)	145,037	25,955	170,992

Declining consumption and intensive competition due to an installed grinder capacity, both in Canada and Scandinavia, substantially in excess of North American and European market requirements, have forced prices down to pre-war levels, thereby creating a grave problem for groundwood mills.

No Premium Benefit

Expectations of an improved yield to Canadian mills on shipments to the United States from the premium on American funds did not materialize in practice, as Sandinavian producers made use of the prevailing premium on the American dollar in their own country to further reduce prices on offerings to the United States, with a resultant sag all around.

The groundwood situation in Norway and Sweden, following the break-up of the Scandinavian Cartel, has gone from bad to worse, and prices on the European market have reacted to new low levels.

Market at Worst

It may be stated at this juncture that the market for groundwood seems at its worst for the obvious reason that it cannot be made worse. Whether relief will come through some freak of nature or from a general pick-up in business, is left for time to tell—but when such improvement does come it should be consistently borne in mind that independent groundwood mills, manufacturing for export a semi-finished and unwieldy product (containing more than 40 per cent of water) must henceforth be classed as uneconomical units, pertaining to the crude stages of pulp and paper undertakings, from which the business of paper-making is steadily emerging.

Wrapping Paper

Report by C. V. CAESAR
Chairman of Section

In the last annual report of the wrapping paper section, hope was expressed that world-wide economic conditions would have taken a decided turn for the better before the close of 1931, but the full seriousness of the situation was not then fully realized and even yet the complex nature of the factors responsible for the situation through which we have been passing does not appear o have been definitely clarified, or fully comprehended, even by those who are presumed to be in a position to diagnose the causes and to clearly designate the course that will eventually lead us out of our difficulties.

Wrapping papers have reflected existing conditions, as shown by by the fact that shipments in 1931 amounted to 44.581 tons, as compared with 48,237 tons in 1930, or a decline for the year of 8 per cent. While still uncertain as to the immediate future, there is perhaps a growing confidence that in due course conditions will ultimately improve, but we must expect the improvement to be gradual and we must neither expect, nor desire, a return of the abnormal conditions of 1928-1929.

Has Been Helpful

The period of anxiety through which we have been passing during the years 1930 and 1931 has not been without desirable corrective measures, hurtful as they have been in many respects.

The relations between the wrapping paper mills and the various distributors and users have—we believe—been reasonably satisfactory during the year and prices on the whole have been fairly well stabilized, but the price level has not been particularly remunerative to the mills, and the decreased volume has, of course, adversely affected both mills and distributors.

Book and Writing

Report by JOHN F. TAYLOR
Chairman of Section

In common with most other branches of the industry, the manufacturers of fine papers have experienced a year of lessened demand and consequently reduced operating schedules. In keeping with the general trend, we reduced selling prices to a much greater extent than we were able to reduce production costs, with the result that average profits for the fine paper mills were reduced to very narrow margins. The market for fine papers being mainly in Canada, we were perhaps more fortunate than those mills depending largely upon foreign markets, for while the general situation in the Dominion was one of great difficulty, we are given to understand that it was not quite so serious as in some countries.

Output Registered Loss

Production of book paper during the year was approximately 14 per cent less than in the previous year and shipments were reduced in the same proportion. Exports of book paper from Canada are not large in any event, but in 1931 they were smaller than for some years past.

There was fortunately, a decline in the volume of book paper imported into Canada during the year, although imports were still considerable and were a factor against which our mills had to contend. The imposition by the Government of a duty upon foreign magazines and periodicals has resulted in decreased circulation of those publications in this country and it is hoped will prove of benefit to Canadian publishers. The fact that a number of magazines which were formerly printed in the United States are now being published in Canada is one of the results of the changed conditions which is directly advantageous to the Dominion.

Production of writing paper also declined during the past year, but to a smaller extent than was the case with book paper. Imports of this grade were lower as compared with the previous year, although appreciable quanties came in from the United States and from Great Britain.

Regular meetings of the section were held during the year and harmonious relations with the merchants have been well maintained. A special survey of the fine paper mills is being made by Professor G. E. Jackson, of Toronto University, and the first two volumes of his report have proved to be of great value to the mills.

Since the last annual meeting the section has lost a valuable member and friend by the death of Mr. C. Howard Smith. Mr. Smith was a pioneer in the manufacture of fine papers in Canada and played a great part in building up this branch of the pulp and paper industry in the Dominion. We record his passing with profound sorrow and regret.

It is perhaps inadvisable to attempt to prophesy in this report what may be the course of events in the coming year. There are indications, however, of improvement in some directions, and while any movement toward better conditions will, in all probability, be very gradual, it is to be hoped that we have seen the worst of the present period of readjustment.

Technical Men Hold Convention

Technical men representing the majority of pulp and paper mills in Oregon, Washington, and British Columbia recently held a convention at Powell River. This is the first occasion since the formation of the Pacific Coast section of the Technical Section of the pulp and paper industry that the organization has hold a meeting in Canada.

Chemicals Used in Pulp Making

Chemicals used in the manufacture of woodpulp in Canada approximate 550,000 tons a year having a value of nearly $8,500,000. Sulphur, limestone and lime are the three principal products used in the processing of pulpwood.

PAPERBOARD IS BENEFITED BY TARIFFS

United Effort is Made to Stabilize Conditions

Report by K. S. MacLACHLAN
Chairman of Section

In last year's report it was pointed out that the Canadian board plants were able to operate at only between 55 to 65 per cent of capacity, but it was hoped that conditions would gradually improve and that the board industry would show better results during the year to come.

Unfortunately, these conditions were not realized and the board mills can only report a fair business and that the general situation having greatly afected our production resulting in less tonnage shipped in 1931 than in 1930.

Government Helps

The past year also saw conditions in the board market in the United States get still further disorganized and ruinous prices established. Fortunately the efforts of the staff of the customs branch of the Department of National Revenue proved beneficial in many directions in preventing excessive importations, coupled with the fact that there was a tariff revision during the month of June. In late months, also, the Government regulations respecting importations from countries with an appreciated exchange also helped the situation.

Importations for eleven months 1931 amounted to 21,037 tons, as compared with 25,417 tons for the year 1930, and these imports accounted for 14¼ per cent of the Canadian consumption. Our efforts should be continued to reduce still further the volume of importations. One pleasant feature of the past year or two is the decrease in importations of finished paper, boxes, cartons and containers, which this year show a decrease in value of over 55 per cent as compared with 1929 and 40 per cent as compared with 1930.

Capaciy is Increased

Capacity of Canadian board mills has been greatly increased during the period under review by improvements to many of our mills and by the placing of further new machines in production by two companies, the Bathurst Power & Paper Company and the Brompton Pulp & Paper Company. A further machine of the Beaver Wood Fibre Company will be in production early this year for Canadian consumption, and unless the demand for board greatly improves during the coming year it will be most difficult for our mills to run at over 50 per cent of capacity.

Such conditions as pointed out above make it imperative for the members to continue to show a united effort to stabilize the industry and to continue their co-operation to the section, so that they will be prepared to meet any unfavorable conditions that might arise during 1932.

Tissue Paper

Report by G. CARRUTHERS
Chairman of Section

Like all other branches of the industry, the tissue paper mills have felt the effects of the generally unsatisfactory conditions which have prevailed throughout 1931. Under the circumstances, however, the mills producing this grade of paper have done a fair business.

The tariff policy of the Government has been of assistance to our mills and has resulted in a substantial curtailment of the importations of tissue papers and tissue specialties. The use of foreign tissues in Canada is still too high and every effort should be made to promote the use of made-in-Canada products.

There are now seven mills in Canada producing tissues, another company having entered this field during the past year. The demand, of course, dropped off, due to general conditions, but it is hoped that the coming year will see a more stable condition and the beginning of the improvement so long expected.

This Year May See Newsprint Industry On Sounder Footing

Co-operative Efforts May Find Reflection in 1932

DEMAND STILL LOW

Adversities of Newsprint Mills Expected to Lead to Better Teamwork

Expectations are that the current year will bring forth some constructive developments, which will go a long way toward placing the Canadian pulp and paper industry on a sounder footing.

The biggest worry at present concerns the newsprint companies, which have experienced a sharp falling off in demand for their product, with a consequent decline in earnings.

Though financial statements of the newsprint operators will not be made public for several weeks, expectations are that the income statements will be even more discouraging than last year, when the majority were only able to earn their bond interest and depreciation charges.

The lack of a co-ordinated policy has been one of the greatest drawbacks to the newsprint industry in the past. Though many efforts have been made to work out some co-operative arrangements, such moves have invariably ended in failure.

Work on Merger Plan

Under the sponsorship of a strong banking group, steps are now being taken to see if it is not possible to weld together the major Eastern Canadian producers, including Abitibi, St. Lawrence, Consolidated Paper, Canadian International Paper, New Brunswick International and International Power and Paper of Newfoundland and others.

Data has been collected in respect to operations, earnings, extent of physical properties, etc. This information has been circularized to the parties interested and it is expected that shortly the executives will again forgather to discuss seriously the feasibility of merging the larger units.

Though the plan of consolidation is still only in the embryo stage, anticipations are that the three or four large operating divisions will be created. There will be one or more independent operators left outside of the fold. The operations of these companies will not have any adverse bearing upon the adoption of a standard policy for the industry as a whole.

Close High Cost Mills

In the reorganization it is expected that some of the high cost mills will be closed and production concentrated in the more favorably located and low cost mills.

It is just possible that insurmountable obstacles to a merger will develop, but, even if that happens to be the case, there is reason for believing that out of the present discussions will come a closer form of co-operation, which, in the long run, will be of immense value to the industry.

Look to Advertising

Current prospects for the newsprint industry are not altogether unfavorable. December production slumped off badly, while the total for the year was some 250,000 tons less than in 1930.

Whether or not consumption of newsprint will increase this year, depends largely on the volume of advertising contracted for in American periodicals. Just now there is a tendency to restrict or hold back advertising contracts until the business outlook becomes more clarified.

For the first half of the year, therefore, prospects for any marked improvement in demand for newsprint from the United States does not appear to be too hopeful. With the opening of spring activities and a better feeling prevailing in the summer months, the fall and winter advertising campaigns are likely to be on a more extensive basis, in which event, consumption of paper would be stepped up.

Europe Seeking Market

One adverse feature of the current newsprint situation is the attempt of the North European newsprint producers to gain a larger share of the American market. Though the value of the Canadian dollar has depreciated some 15 or 16 per cent in New York, Scandinavian currency has fallen off even more, placing that area in a better position to compete for business on a price basis.

Scandinavian operators have been offering newsprint on the Atlantic seaboard at prices appreciably under those quoted by Canadian manufacturers. At the same time they have been making efforts to secure business on the Pacific Coast, but the tonnage involved in that area is not expected to make for any unsettlement in market conditions. Such is not the case in the Eastern area, however, where the Scandinavian threat constitutes a weapon for the publisher in making better contracts.

One of the reasons back of the present merger negotiations is to bring about a greater degree of price stabilization in the market. It is stated that every consideration will be given to the publishers, but many publishers are of the opinion that a consolidation would not work fairly.

Newsprint Output Lower Last Year

Canadian newsprint production in 1931 amounted to 2,230,775 tons compared with 2,504,147 tons in the previous year. Though the drop in output was discouraging the decline in the ratio of operations to capacity was the worst feature of the situation which prevailed last year.

In 1931 Canadian newsprint mills operated at 58.1 per cent of capacity compared with 69.4 per cent in 1930. This factor, reflecting the increases which have been made to installed tonnage in recent years, has been one of the most difficult problems which manufacturers have been called on to face.

Further, some companies operated between 70 and 80 per cent of capacity for the year indicating that the balance did not operate even at 58 per cent but well below 50 per cent of capacity. Add to this the fact that newsprint sold for some $5 a ton less in 1931 than in 1930 and the troubles experienced by the Canadian newsprint manufacturer are apparent.

Capital Invested in Paper

Canada's pulp and paper industry now has a total capital invested in it of over $714,000,000 thus placing it among the leading industries in the country. Quebec is well in the lead with capital invested of $363,928,749.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Murray Bay, Que.
Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

PAPER MAKING MACHINERY
HYDRAULIC TURBINES
PUMPS VALVES
MINING & METALLURGICAL MACHINERY
ELECTRIC STEAM GENERATORS
FARREL-SYKES GEARING
CONSTRUCTION & INDUSTRIAL MACHINERY
D
DOMINION ENGINEERING Works Limited
MONTREAL CANADA

Industrial and Cellulose Chemistry

Report by HAROLD HIBBERT
Industrial and Cellulose Chemistry Laboratory, McGill University

The increasing use to which refined and highly purified wood pulp is being applied in the chemical industry, especially in that of textile production, led to work being undertaken, as pointed out in the last annual report, on the structure and properties of soda cellulose.

The fact that the latter product is capable of reacting with various chlorinated organic products, such as benzyl chloride to give cellulose ethers, has been known for a long time, but it is only recently that the use of this type of cellulose product for the manufacture of lacquers and new types of rayons has been more strongly advocated. The manufacture of cellulose ethers, commercially, is not an easy matter due to the difficulty of bringing about a satisfactory reaction between the soda cellulose, on the one hand, and the chlorinated product, on the other.

A research on the mechanism of this reaction has been carried out by R. Ball during the last two years and provides valuable information on the nature of the processes taking place. It has been possible to determine the condition for the isolation of much purer materials and the work may be regarded as a valuable addition to our knowledge of the further utilization of purified wood pulp for the synthesis of new types of artificial silk.

Silk Fibre from Sugar

The question of the nature of hydration and beating still remains an unsolved problem and it was thought that by going back to the question as to the manner in which cellulose is actually produced in the plant valuable information might be obtained in this connection.

It has been known for many years that certain bacteria (closely related to lower forms of plant life) are capable of producing from various sugars a skin-like, gelatinous membrane which had been assumed to bear a close relationship to cellulose. These membranes on air-drying lose their "water of hydration" and are left as an extremely tough, parchment-like skin. As a result of a series of investigations it has been shown by J. Barsha that this material from glucose is in fact a true cellulose. It was possible to convert this into the acetate and with the assistance of J. Morazain this was then spun into a textile, thus completing the conversion of sugar into artificial silk.

More recently Messrs. Barsha and Morazain have investigated the nature of similar pellicle formations obtained from fructose, glycerol, sucrose, mannitol, etc., and the preliminary work appears to indicate the identity of the product in all cases as a true celluclose.

The fact that the material, as synthetized, contains some 10,000 per cent by weight of water would seem to indicate that it should prove to be an admirable raw material for the investigation of problems relating to hydration and beating, and it is our intention to investigate such problems from this angle.

Using other bacteria, it was possible to synthesize other products closely related to cellulose and the nature of their physical, colloidal and chemical properties is at present under investigation.

Investigation on Lignin

The preliminary group of physico-chemical investigation on the structure of lignin having now been completed, and published, it was considered advisable and necessary to study again the problem of the structure of lignin from the synthetic organic standpoint. A new plan of attack was organized which has already led to the discovery of better methods for the isolation of the lignin constituents. These latter are now being investigated from the point of view of their behavior toward a variety of chemical reagents and the results are expected to throw considerable light on the nature of the manufacture of sulphite and kraft pulps, bleaching, etc. The important question of the most economical means for the recovery of the soda salts from black liquor is assuming a greater importance, and as certain necessary data in connection with this problem are not available in the literature, as, for example, the factors relating to efficiency and ease of reduction of sodium sulphate by carbon, lignin products, woody matter, etc., it is our intention to investigate certain features of this problem in the near future.

In conclusion, occasion is taken to refer to the very sad loss which the institute has suffered in the recent untimely death of Mr. O. F. Bryant. He had a charming personality which endeared him to all, and the vigorous steps taken by him to ensure a closer relationship between the work of the institute and the industry, with whose problems he was so thoroughly familiar, will, it is hoped, lead to an early realization of the value of the Institute's present research programme in the solution of the problems of the industry.

Education

Report by K. S. MacLACHLAN
Chairman of Committee on Education

There has been very little activity in the committee on education this year. This was partly due to the fact that your chairman was working up a programme with Mr. O. F. Bryant which was interrupted by his untimely death.

One of the plans was the circulation of a questionnaire, by which the requirements of the industry could more definitely be known and courses modified in the schools for the development of those requisites. It is felt that the work on which Mr. Bryant was engaged had much merit and should be begun again.

On November 26 last the chairman of the educational committee wrote the chairman of the technical section stating that owing to the pressure of business he was unable to devote the necessary time to the work of the educational committee. He was, therefore, forced to request that his resignation be accepted, effective the first of the year. Mr. McLeod, in his reply, said that he realized the difficulties under which the chairman was working and that his resignation would be accepted.

There are individual reports for the schools at Edmundston, Three Rivers and Gardenvale, shown as appendices.

Some increase in enrollment was shown, despite the retraining influence of trade conditions on the normal registration growth.

Several mills have reimbursed their employees for tuition, upon completion of the courses.

Of the 556 papers corrected, 46 per cent pertained to elementary subjects, and 54 per cent covered advanced subjects. The prescribed scholastic standards are being maintained. Fifteen diplomas and certificates were awarded to graduates. One graduating student used the French translation throughout his course.

An effort is made to revive the interest of those who fail to complete their course.

The institute wishes to co-operate with the industry in the formulation of a policy governing the advancement of education of men working part time.

Edmundston School

There has been a decline in registration due to curtailment of educational activity.

Federal aid with finance has been discontinued, and the province of New Brunswick has not assumed the Federal Government's portion. The premier has had the matter called to his attention.

Laboratory equipment has been augmented. Two courses are being given this year through co-operation with Fraser Companies, Limited. The diplomas carried the endorsement of the association last year.

Scholastic standards required by the association are being adhered to.

Coated Paper

Report by F. C. McELROY
Chairman of Section

During the past year the coated paper section has held four meetings, which were all that were required for the business coming before this section.

The tonnage of the coating business shows a further decline in 1931. Also, in common with other commodity prices, the price of coated products has been reduced; this reduction in prices, however, has not stimulated business in coating paper perceptibly, although it probably has had the effect of moderating the decrease in tonnage. This industry, like many others, has the problem of carrying on under these exceptional business conditions with a minimum of loss.

We are all in hopes that the New Year will bring an improvement to general business and an increase in the volume of coated products. I believe that progressive methods in marketing coated papers would be very beneficial and result in increased business to the industry over and above any general improvement which may take place. Further, there are opportunities today to replace coated products formerly imported by Canadian-made coated products.

Sutcliffe Company Ltd.
CONSULTING ENGINEERS
and
ONTARIO LAND SURVEYORS
NEW LISKEARD, ONTARIO

Felt

Report by W. E. WALKER
Chairman of Section

The manufacturers of building paper have experienced during the entire year of 1931 one of the most trying times during the history of this industry. Mills were obliged to operate at from 25 to 30 per cent of production and at prices which were devoid of profit.

It is most difficult to forecast the prospects for the coming year owing to the unsettled state of world's finances and problems still to be settled.

The encouraging features, however, are at present as follows—very low inventories, production costs reduced to a minimum, raw materials at lower prices than they have been for many years, and a general feeling of optimism to the effect that the present depression has now passed its lowest point, and conditions will very shortly commence to show some improvement.

Waxed Paper

Report by J. R. MARSHALL
Chairman of Section

The year just closed has been one of varied experiences.

Any success within the industry this past year can be attributed to economies within, necessary to meet the shrinkage of volume and selling prices.

The year 1932 holds out very little hope of improvement in volume or selling prices, with a possibility of increased cost of production.

We face this condition along with all other lines of industry, not only in Canada, but throughout the entire business world, and enter the New Year with a determination to surmount all difficulties within our control, confidence in the future of our country and hope for an early recovery of general trade conditions within our borders.

Research Corp.

Report by HAROLD CRABTREE
Chairman of Corporation

During the past year the interest charges on the outstanding bonds of the corporation, including bank charges, amounting in total to $17,368.31, were met and bonds to the amount of $17,500 were redeemed in accordance with the trust agreement. The corporation records its appreciation of the generosity of the following companies in offering bonds for sinking fund purposes at prices considerably below par: Abitibi Power and Paper Co., Ltd., Alliance Paper Mills, Canada Paper Company, Howard Smith Paper Mills, and Interlake Tissue Mills. As a result of the generous offers of these companies, the association was enabled to benefit to the extent of $2,275.60. The par value of the bonds now outstanding is $280,000, redemption having proceeded at the rate of $17,500 per annum.

HINDE, DAUCH EARNINGS SHOW SHARP DECLINE

Surplus Down $307,106; Current Position Was Maintained

The balance sheet of Hinde & Dauch Paper Co. of Canada at December 31, 1931, gives some evidence of difficulties encountered in the container industry despite the fact that no statement of earnings will be issued by this company. Despite conditions cash position has been strengthened although the ratio of current assets to current liabilities has dropped to 2.47 to 1 from 2.89 to 1 shown at the end of 1930. Reserve for depreciation has been increased by $218,728 and the company has retired $61,500 of its 5½ per cent first mortgage bonds during the year as compared with $33,000 redeemed in 1930. Earned surplus at $945,357 shows a drop of $307,106 in 1931.

Tonnage of products sold during 1931 increased over the previous year while revenue from sales was less. Sidney Frohman, president of the company, stated, that the unfavorable business situation has been unduly complicated by intense competition with prices depressed on box-making material even below cost of manufacture. This is attributed to a productive capacity in the industry far in excess of demand. Manufacturing facilities have been improved and the company has conserved assets awaiting improvement in business.

Current assets at December 31, 1931, are shown at $649,962 as compared with $872,280 in 1930 due entirely to reduction in inventories to $360,343 from $642,664. Cash shows slight increase at $41,750, while accounts receivable are up to $227,318 from $171,952 and cash surrender value of life insurance is up $2,700 to $20,550. Current liabilities total $263,239 as compared with $300,558 in 1930 due chiefly to decrease in bank loan to $125,000 from $200,000. Accounts payable remain the same at $61,781; accrued items are up to $43,375 and a new item for management expense of $33,083 is included.

Fixed asets are valued at $4,910,825, a decrease of some $32,000 in the year depreciation reserve against this valuation has been increased by $218,728 to $1,251,075. Interest in Container Materials Ltd. is carried at $13,302; sinking fund at $6,274 and deferred charges at $10,293. There is $1,363,500 of first mortgage bonds outstanding and capital stock remains at $1,088,853. Earned surplus has been reduced to $945,357 from $1,252,463 and appraisal surplus to $678,630 from $764,136.

Decrease in earned surplus during 1931 amounted to $307,106 which is very close to the total of increase in depreciation reserve, bond interest paid and write-off of reorganization and bond expense. On this basis it would appear that the company barely made operating expenses during 1931 as compared with a net profit of $214,308 shown in 1930 before deduction for depreciation and bond interest.

SAYS MORATORIUM USELESS MEASURE

English Economist Shows Various Nations' Status Under Cancellation

Stating that no progress could be made in the untangling of the world's present economic impasse while the moratorium on German reparations payments endured, Sir Walter Layton, British economist of note and part author of the Basle reparations report, draws a remarkable picture of what the situation would be supposing all war debts and reparations payments were wiped out.

Germany would be left with only 500,000,000 pounds sterling of internal debts, which is £8 sterling per head. France would be left with approximately £2,300,000,000 of debt, or £56 sterling per head, Great Britain. after allowing for wiping out the United States debt, would be left with £6,600,000,000, or £150 sterling per head, and the United States, with the next largest debt, would be left with an internal debt of £3,200,000,000 or £27 sterling per head.

It would be idle, said Sir Walter, to have a provisional settlement now which gives any possibility of the present situation recurring. A one-year moratorium is no good, and a two-year moratorium is worse because it lasts longer.

U. S. Imported Less Newsprint

Total imports of newsprint into the United States in the first ten months of 1931 amounted to 1,722,591 tons. This compared with 1,889,555 tons in the corresponding period of 1930. Both European and Newfoundland imports were larger and Canada's exports to the United States showed a falling off.

Forest Products Laboratories

Report by J. H. ROSS
Chemist in charge, Pulp and Paper Division

During the period which preceded the year 1930 the revenues of the laboratories were used principally for the purchase and erection of equipment. In that year the organization of the laboratories had reached the stage when a programme of research of some magnitude could be entered upon.

The division of pulp and paper commenced the past year, now under review, with an extensive programme of research and with a year of excellent results behind it. The staff had at no time been adequate to the service which it was proposed to give to the pulp and paper industry, but the policy was to expand gradually in order to build up an efficient organization.

Instead of the expected increase in personnel, the number of technical workers in the laboratories was reduced owing to the economic crisis which faced the Government.

In May, Mr. E. P. Cameron, the director, died of pneumonia. His loss to the laboratories cannot be estimated. No single person contributed so greatly to the successful organization of the division of pulp and paper as a factor in the research activities of the pulp and paper industry of Canada.

Appoint Technical Advisor

In order to aid the director in interpreting the research aims of the industry, a technical advisor to the Canadian Pulp and Paper Association had been appointed Mr. O. F. Bryant, who filled this position, was absent through illness at the time of Mr. Cameron's death. His return to duty was of very considerable assistance to the laboratory staff. In October, Mr. Bryant died very suddenly. Within the space of a few months the laboratories thus lost the two men who had been most intimately connected with the research programme.

Had it not been for the extreme loyalty of all members of the staff it is doubtful whether the research activities of the division could have continued. There was an added burden on each and the successful publication of the Quarterly Review, although not so regular as in the preceding year, bears witness to the determination of the laboratories to continue their research programme despite the serious losses which they had suffered.

Programme of Work

Reports are to be found in the Quarterly Review dealing with the following subjects on the programme of work: "The Grinding of Wood for Pulp," a study of the factors which influence yield and quality of pulp; "Bleaching Studies," investigations dealing with the effect of bleaching variables on pulp quality, color and bleach consumption; "Alkaline Process Studies," a study of the effect of time, temperature and concentration of alkali on pulp yield and quality; "Fibre Quality Studies," the absorption of water vapor by pulp and its bearing on the question of fibre structure; "Penetration Studies," the factors governing the penetration of liquids into wood and the diffusion of salts and bases into wood; "The Estimation of Particle Size and Concentration of Suspensions by Light Absorption," an attempt to determine rapidly the consistency of pulp suspensions.

The professor of physical chemistry of McGill University assumed the burden of certain researches which it was not possible for the division of pulp and paper to continue. Under the circumstances, the co-operation of Dr. Maass, the professor of physical chemistry, has been of more than ordinary value to the laboratories.

Aside from its regular programme of research, the division of pulp and paper has carried out a series of investigations for the committee on physical and chemical standards, technical section.

N. B. PULPWOOD EXPORTS DROP OPERATORS SAY

Association Seeks Lower Freight Rates from Railways

From Our Own Correspondent

MONTREAL. — New Brunswick operators estimate that pulpwood shipments from the province to the States of Maine have declined 60 per cent this year to date as compared with the corresponding period in 1930, due to restricted woods activities resulting from abnormal climatic conditions. Recent snowfalls, however, have improved hauling conditions and operations in both pulpwood and long lumber are reported as normal in most sections of New Brunswick.

Lack of snow in some districts is still retarding activity; the southern area is the most greatly affected in this respect. One of the lumbering activities which is still delayed is on the south branch of the Oromocto River where about 2,000,000 feet is being cut.

Seek Lower Freight Rates

A delegation of the New Brunswick Pulpwood Producers' Association recently conferred with Sir Henry Thornton and E. W. Beatty to urge a general 25 per cent reduction in railway freight rates on pulpwood between Canadian and United States points. It has been stated that operators in New Brunswick hold no prospects of disposing of their product in the State of Maine unless the requested reduction in freight rates is made. Movement of wood this year has been made between points in New Brunswick.

The price the operators can expect to receive, it is claimed, is from $5 to $6 a cord, while the freight rate varies from $6 to $8 a cord.

Scandinavian Paper Sells at Low Price

Judging by press dispatches from New York, Scandinavian newsprint manufacturers are endeavoring to secure a larger share of the American market. Reports have been to the effect that Scandinavian newsprint has been offered as low as $41 a ton on the Pacific coast compared with previous levels of $45.

Pacific coast consumers received contracts from Canadian manufacturers at the beginning of the year on the basis of $50 a ton. It is said, however, that Scandinavian deliveries at the new price have not been of sufficient volume to affect contracts held by Canadian mills.

The exchange situation has made this competition from overseas possible but North American mills say that even with this advantage, Scandinavian mills have not been able to deliver a newsprint of quality high enough to compete seriously with Canadian paper.

Brompton and Dryden Name Agent in England

From Our Own Correspondent

MONTREAL.—Brompton Pulp and Paper Co. and Dryden Paper Co. have appointed Paul Sabel and Co. as sole representatives in England for kraft paper. These mills of which Brompton is the oldest in Canada, produce a high grade of M. G. and unglazed kraft, both in neutral shades and in colors, and their output represents a large proportion of the total export of kraft from Canada. They also produce M. G. sulphites, folding boxboards and newsprint, of which quantities will be available for the British market.

Winnipeg Bank Clearings Up

Winnipeg bank clearings for November showed a gain of $158,792,000 over the same month last year.

PENMANS CUTS COMMON DIVIDEND TO $3 PER SHARE

Action Was Deferred Till Operations in 1931 Known

From Our Own Correspondent

MONTREAL.—Directors of Penman's Ltd., who deferred action on the common share dividends in December until the result of operations for 1931 were known, have now declared a dividend of 75 cents a share for the quarter ending January 31. As the dividend was formerly paid on a $1 quarterly basis, or $4 a year, the current declaration represents a reduction of $1 a share on an annual basis.

The reduced dividend would indicate that earnings of the company have not tended to show an improvement in 1931. In 1930, profits dropped sharply and despite the fact that no provision was made for depreciation, common share earnings were $1.93 compared with dividends paid of $4 a share. A deficit of $133,310 resulted, though a balance of $1,641,347 was carried forward into 1931.

Penman's Ltd., stands to benefit by the abrogation of the French Treaty which will enable the Government to readjust tariff on knitted goods imported from countries affected by the treaty. It was pointed out at a recent meeting of Quebec knitters that the tariff rate on new goods from 22 foreign countries had been affected by the treaty, and that through its cancellation, means were at hand to end unfair competition from Europe.

Workers, it was claimed, in Czechoslovakia, Belgium, Italy and Japan were paid about $3 a week. Even after paying a 25 per cent duty in Canada, they were able to undersell domestic production, and continued importations from these sources, it was pointed out, would gravely injure the 130 knitting mills in Canada.

THE telephone still remains the most practical aid to the business man that has been invented in the last fifty years. To facilitate business there should be an extension telephone on every important desk in an office.

Northern Electric
COMPANY LIMITED
A NATIONAL ELECTRICAL SERVICE

SAINT JOHN, N.B. HALIFAX QUEBEC MONTREAL OTTAWA
TORONTO HAMILTON LONDON WINDSOR NEW LISKEARD
SUDBURY WINNIPEG REGINA CALGARY EDMONTON VANCOUVER

DISTRIBUTORS OF: OVERHEAD AND UNDERGROUND MATERIALS FOR HIGH AND LOW TENSION LINES. POWER APPARATUS—MOTORS, TRANSFORMERS, CONTROL APPARATUS. INSTRUMENTS AND METERS. ILLUMINATION FOR HOME, OFFICE AND INDUSTRIAL PURPOSES. STREET LIGHTING, FLOODLIGHTING. LAMPS, WIRING DEVICES, FITTINGS, ELECTRICAL CONTRACTORS' SUPPLIES. HOUSEHOLD ELECTRICAL APPLIANCES, RANGES, WASHERS, IRONERS, ETC.

MANUFACTURERS OF: TELEPHONES AND INTERPHONES. WIRE AND CABLE. ALARM AND SIGNAL SYSTEMS. SOUND AMPLIFYING APPARATUS AND RADIOS.

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RADIO ACTIVITY PLAYS BIG PART IN SAVING FOREST

Time Savings Effected Vital in Forest Conservation

The very nature of radio communication is such as to make it free from many of the weaknesses of wire lines particularly when assigned to service in bush country and it is this factor which makes radio a strong feature in present day forest protection service. J. Stuart Richardson, of the Northern Electric Co. dealt with the progress made in this field in an address before the Woodland Section of the Canadian Pulp and Paper Association.

He referred to the saving in time which could be effected through a radio message from a plane some 40 or 50 miles from headquarters to the effect that a fire was raging in a certain bush area. Men and equipment could be assembled and immediately dispatched to the scene of the fire and the fire ranging plane could continue its cruise over other areas.

Radio and Aircraft

He continued in part:

Radio communication between aircraft and ground stations has been developed to a great extent during the past two or three years and the success with which it has been applied is wide-spread. Most of the large aircraft travel and transport companies have their planes radio equipped, and the majority of large airports are provided with equipment for communicating with planes flying over established routes. The equipment developed for this purpose is of course equally suitable for use in planes employed in fire ranging services. The ground station equipment used at airports would also be suitable for use at patrol headquarters in fire ranging areas. Furthermore, the transmitting equipment designed for use in aircraft has had to meet more rigid requirements than that for any other field of radio communication. It has had to be essentially dependable, simple, sensitive and light. Dependable, because no adjustment is possible in flight. It may be necessary to operate the equipment for a few seconds at a time only, or for the whole period of flight, yet it must function efficiently at all times if it is to fulfill its purpose.

Must Be Simple

Secondly it must be simple to control, so that its operation demands little concentration from the pilot, who is, in the majority of cases, also the operator. Thirdly it must be highly sensitive to compensate for the limitations of aircraft antennae, which are relatively poor in comparison with those that may be constructed at ground stations. Fourthly it must be light, for every pound of navigating equipment in a commercial plane means a reduction in the amount of "pay load" which may be carried. Other important requirements of aircraft radio equipment are compactness and ruggedness. We submit that all the requirements encountered in the designing of radio equipment for aircraft will apply in almost equal measure to radio equipment for bush operations.

Increase is Forecast

It would seem logical to presume that the future of forestry protection will see an increase in the use and co-operation of both aircraft and radio.

Radio communication commends itself as an adjunct to any means of fire ranging. In many places towers located at strategic points are used for observation purposes, and by this means information is gathered as to the location of fires. Obviously a radio system with equipment at or near these towers would increase to a large extent the effectiveness of this type of fire ranging. By exchanges of information between say three points as to the direction in which a given fire is located from each tower it would be possible in a few minutes to establish the exact location of the fire.

Communication has a number of different applications in connection with forestry protection. It may be used to advise rangers of the entry into the forest of campers, prospectors or others who may be the cause of fire hazard. It provides the means whereby the location of fire may be reported at the earliest possible moment. It enables headquarters to keep in touch with developments, so that the best use may be made of both men and materials. There are doubtless further ways in which the exchange and dispatching of information by radio could be used to great advantage in fire ranging. Once a communication system is set up for any purpose there always develops increased uses for such a system, and those who are familiar with and expert in the technique of forestry protection can undoubtedly develop many ways of taking advantage of the flexibility of radio communication.

Difficulties Are Recognized

It must not be inferred from what has been said above that radio is entirely free from limitations in its use for forest protective work, and that equipment for all conditions is available. It must be recognized that while the transmission medium of radio is not subject to hazards which might destroy or impair wire telephone circuits, it is nevertheless subject to certain atmospheric conditions over which no control can be as yet exercised. Static interference and fading must be contended with in radio communication, but by the careful location of equipment, and by the obtaining of a suitable operating frequency, these disturbing conditions can be reduced to a minimum.

The question of power for energizing radio equipment is a matter of prime importance, especially under conditions where the portability is of great concern. There are now available, however, gasoline driven power plants of sizes suitable to almost any need, and these are of compact efficient and rugged design, thus lending themselves admirably to this particular work. In this connection it might be observed that the adoption of a suitable calling schedule would result in a conservation of power.

Setting Values on Equities Greatest Problem Before Proposed Paper Merger

Newsprint Consolidation Plans Move Ahead

VALUE OF COMMON

Previous Merger Attempts Break Down in Determining Worth of Junior Stock

From Our Own Correspondent

MONTREAL.—With the collation of statistical data, the third stage in the proposed consolidation of Eastern Canadian newsprint companies has been reached. The first stage was the formation of a banking group to give sponsorship to the scheme, while the second stage was the getting together of the different companies concerned.

From now on the difficulties of the proposed consolidation will become more pronounced. In the past the operators have agreed time and again to work together, but eventually co-operative agreements have broken down. Mergers have been bespoken on more than one occasion, but have failed to materialize owing to the inability of the interested parties to agree upon an equitable valuation of properties.

Needed Driving Force

The failure of these moves might well be attributed to the lack of a driving force. It was a case in the past of jockeying for position and it is not surprising that no concrete plan ever came out of the negotiations.

Present overtures, however, are different from those of the past in one essential feature—sponsorship. With a determination to iron out the troubles of the industry and put it back on its feet, some constructive measures may be adopted, though whether these will take the form of a merger is a matter of individual opinion.

Consider Three Factors

In working toward a merger three major considerations stand out. There is first, the technical side; secondly, financial, and, thirdly, the public side. The first of these is a matter of internal settlement, but the second and third are external, and that of finance is probably the most complex.

To understand some of the problems involved on the financial side, it is necessary to appreciate the fact that the present troubles of the industry are the outcome of over-building in the period from 1926 to 1929. In that short time the installed daily capacity of Canadian newsprint mills increased several thousand tons. There was an utter disregard of such a primary fundamental as markets, and today the industry is operating at round one-half of its nominal capacity. Some of the mills were badly located, both in respect to production and markets. Others were built primarily for the purpose of selling securities. With hardly an exception these mills, and even the older ones which were recapitalized, were sold to the public (in the form of securities) at such a price that the promoters retained control with little or no investment.

Capital Too High

With few exceptions, the Canadian newsprint companies are overcapitalized in the light of present-day conditions. Under abnormal conditions, such as those which prevailed in 1928 and 1929, it would have been possible for the operators to record sufficient earnings to cover senior charges. With the drop in operating ratio and decline in value of newsprint, there is not one but has had to omit or cut down dividends on capital stock. Some have even had to forego bond interest, while Canada Power had to reorganize in order to avoid the latter step.

There are few executives in the industry who look for a return of 1928 conditions for many years to come. It is in order to protect and preserve equities, therefore, that the present move toward consolidation is under way.

Lower Capital Values

It has been repeatedly said that the newsprint companies must bring their capitalization down to a point where current earning power will cover all senior charges by a comfortable margin. The capital reorganization of Canada Power was along that line. If such a step is followed in the consolidation of the major operators, there will undoubtedly be a heavy slash in capital values all round. Little permanent good can be effected if such a step is not taken.

The Canada Power reorganization was an internal one. Even at that it met with strenuous opposition from the shareholders. The present proposal is an external one and the satisfying of all groups of security holders will be a task for another Solomon.

Present Plans Extensive

It is stated that the proposed consolidation will bring under one head all those companies in Eastern Canada which can be economically and feasibly merged. The names most prominently mentioned are Consolidated Paper (old Canada Power and Paper), Abitibi, St. Lawrence Corp., International's Canadian and Newfoundland properties, Mersey Paper and other smaller operators.

Senior Stocks Important

The bonds or senior securities of these companies should fare satisfactorily in any consolidation plan, inasmuch as they represent an actual cash investment. But approval of the merger lies with the holders of the common stocks and it is in devising equitable values on this class of security that the sponsors of the consolidation will have to overcome the greatest opposition.

What values are to be placed on the common stocks of the different companies is a task of considerable magnitude. There are many factors to consider, not the least of which is cash investment back of the security.

As a matter of interest an examination of the capital set-ups of the companies concerned readily explains why those in control have, in the past, failed to arrive at any common understanding in discussing values.

Canada Power, at the time of its reorganization, had outstanding 1,521,750 shares of no par value common stock. This total was apportioned among the absorbed companies as follows: St. Maurice Valley, 400,000; Laurentide, 288,000; Port Alfred, 330,000; Wayagamack, 200,000; and Anglo-Canadian, 303,750.

Records show that of Port Alfred's old common stock, amounting to 120,000 shares, some 60,000 were sold at $25 a share. A maximum of 6,000 shares were given as a bonus with the purchase of preferred shares. The balance would appear to represent little or no equity, as the amount of senior securities sold to the public would appear to have been sufficient to cover all capital outlays.

St. Maurice, Laurentide and Wayagamack common shares had substantial equity back of them.

Anticosti Stock Value

In the case of Anticosti Corp., jointly controlled by St. Maurice, Wayagamack and Port Alfred, the common shares might well be considered as "watered stock," the senior financing covering the purchase price of the property.

Abitibi Splits Common

Abitibi originally had outstanding $5,000,000 of common stock, shares of the par value of $100 each. In 1920 this stock was changed to no par value and split 5 for 1, making outstanding 250,000 shares. Eight years later the stock was split again, this time 2 for 1. In the eight year period, therefore, shareholders received 10 new shares for each old one.

With the acquisition of Spanish River, Fort William Power, Manitoba Paper, Ste. Anne Paper and Murray Bay Paper, more stock was issued and the amount outstanding aggregated 988,117 shares. The last deal was the exchange of 100,000 shares for a similar number of shares of Provincial Paper.

Provincial Paper Deal

It is interesting to examine the Provincial Paper stock taken over by Abitibi. This company was purchased in 1927 by an investment banking house for a round sum of $6,544,000. The purchasers turned around and sold bonds and preferred shares in the reincorporated company to the public for a gross amount of $8,583,250, leaving an apparent favorable difference of $2,039,250. The new owners capitalized earning power by issuing 100,000 shares of no par value common stock. There is no record of this stock representing any cash outlay. It was this stock that Abitibi secured in 1930 through an exchange of shares.

St. Lawrence Corp. is another company mentioned as a likely member of the proposed consolidation. This company in turn controls three operators—St. Lawrence Paper Mills, Lake St. John Power and Paper and Brompton.

St. Lawrence Set-up

St. Lawrence Paper Mills has outstanding 515,000 shares of no par value common stock. Of this amount 180,000 shares are understood to have been sold to N. A. Timmins and Ernest Rossiter at an unknown price; 190,000 shares were offered in units with preferred stock at $28 a share; 130,000 shares were offered to the public at $32 a share; while 15,000 shares were sold privately at an unstated price.

Lake St. John Capital

Lake St. John has issued 100,000 shares of no par value common stock. Seven thousand five hundred of these shares were offered as bonus to the purchasers of the debentures. The balance — 93,000 shares—went to the promoters, with the Leaside Engineering Co. holding control. The late E. A. Wallberg, promoter of Lake St. John, was heavily interested in the Leaside Engineering.

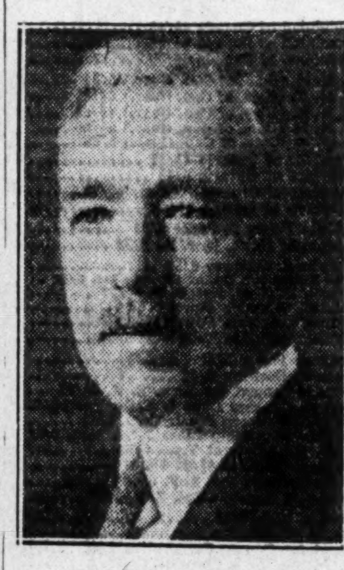
Brompton's share capital of 300,000 shares of common stock was backed up by a heavy cash investment, Dominion Securities Corp., among others, underwriting a large block at $53 a share.

I. P.'s Position Unknown

It is not possible to give the same analysis to International's Canadian properties, as the accounts are closely interwoven with various holding organizations. The amount of junior money (represented by common stock) is indeterminate and known only to the management, as a large part of the capital expenditure has been carried out on loans put up by one or other of the holding concerns.

It is apparent from the brief review of common stocks of the major companies that wide divergence of opinion is likely to arise as to the valuation of the common stocks of each company. Whether a satisfactory arrangement can be worked out will depend very largely upon the spirit of give and take among the controlling interests of the properties concerned. In the past it has been limited.

Another Term



HAROLD CRABTREE

President of Howard Smith Paper Mills, who has been re-elected to the presidency of the Canadian Pulp and Paper Association.

"V~e Have With Us......"

Delegates from All Branches of the Industry Follow Discussions of the Association's Technical and Woodland Sections

Registrations at the annual meeting of the Technical and Woodlands Sections of the Canadian Pulp and Paper Association were as follows:

Technical

Alexander, C.—Forest Products Labs., Montreal.
Adlington, W. E.—Forest Products Labs., Montreal.
Anderson, L. C.—Ontario Paper Co. Ltd., Thorold.
Anvik, H.—Temiskaming, Que.
Arbo, C. G.—Montreal, Que.
Beveridge, J. B.—Bonaventure P. & P. Co., Montreal.
Bearce, G. D.—N. B. International Paper Co., Dalhousie, N.B.
Baillairge, V. — Three Rivers School of Papermaking, Three Rivers, Que.
Beck, J. B.—E. B. Eddy Co. Ltd., Hull, Que.
Burns, E. F.—Gatineau, Que.
Barry, T. M.—Fraser Companies Ltd., Edmundston, N.B.
Buncke, H. J.—Abitibi Power & Paper Co., Toronto.
Brosseau, Aug.—Bonaventure P. & P. Co., Chandler, Que.
Brown, B. C.— C. I. P. Co., Three Rivers.
Bates, Dr. J. S.—Price Bros. & Co., Quebec.
Clark, James d'a—Mead Corp., Chillicothe, Ohio.
Crossley, T. Linsey, Toronto.
Copeland, I. H.—C. I. P. Co., Three Rivers, Que.
Couture, A. Papineau—Montreal.
Copping, A. B.—Inter. Paper Co., Glens Falls, N.Y.
Campbell, W. Boyd — Forest Products Labs., Montreal.
Candee, C. N.—Howard Smith Paper Mills, Montreal.
Cooper, R. E.—Montreal.
Costigane, A. P.—Toronto.
Durant, L. G.—E. B. Eddy Co., Hull, Que.
Day, J. C.—E. B. Eddy Co., Hull, Que.
Drummond, R. M.—Can. Int. Paper Co., Gatineau, Que.
Genberg, G. P.—Fraser Cos., Edmundston, N.B.
Giffen, F. J.—Can. Int. Paper Co., Three Rivers, Que.
Holland, W. W.—Forest Products Labs., Montreal.
Hart, J. S.—Forest Products Labs., Montreal.
Heuser, Prof. Dr. E.—C. I. P. Co., Hawkesbury, Ont.
Jones, M. H.—Ontario Paper Co., Thorold.
Johnston, H. Wyatt — Forest Products Labs., Montreal.
Jayme, Dr. George—C. I. P. Co., Hawkesbury, Ont.
Jones, Douglas—Forest Products Labs., Montreal.
Kellogg, R. S. Newsprint Service Bureau, N.Y.
Kraske, Wm. H.—Anglo-Nfld. Dev. Co., Grand Falls, Nfld.
Ketchen, W. A.—Fraser Cos., Edmundston, N.B.
Keay, H. O.—Canada Power & Paper Corp., Grand Mere.
Kelley, L. C.—Restigouche Co., Campbellton, N.B.
Kay, Stuart E.—Inter. Paper Co., New York.
Kidd, W. S.—E. B. Eddy Co. Ltd., Hull, Que.
Lane, G. J.—C. I. P. Co., Gatineau, Que.
Legendre, Alfred—Forst Products Labs., Montreal.
Mitchell, C. R.—Forest Products Labs., Montreal.
Mason, J. O.—Canada Power & Paper Corp., Grand Mere, Que.
MacDiarmid, A. A.—Price Bros & Co., Quebec.
Maass, O.—McGill University, Montreal.
Macdonald, R. C.—T. A. P. P. I., New York.
Murer, P. J.—Temiskaming, Que.
McGrann, K. F.—Ontario Paper Co., Thorold, Ont.
Nutter, J. C.—Quebec.
Nanda, P. K.—Forest Products, Montreal.
Nyberg, T.—Forest Products Labs., Montreal.
Plow, J. F.—Engineering Inst. of Canada, Montreal.
Paulson, P. A.—Appleton, Wis.
Patton, R.—Forest Product Labs., Montreal.
Phillips, J. B.—McGill University, Montreal.
Patterson, J. E.—Abitibi Power & Paper Co., Toronto.
Roberts, D.—Restigouche Co., Campbellton, N.B.
Rowley, H. J.—Abitibi Power & Paper Co., Iroquois Falls, Ont.
Read, D. E.—C. I. P. Co., Gatineau, Que.
Schmon, Arthur—Ontario Paper Co., Thorold.
Skoldebrand, C.—G. D. Jensscn Co., New York.
Stephenson, J. N.—Gardenvale, Que.
Smith, Peter—C. I. P. Co., Three Rivers, Que.
Taylor, G. W.—Forest Products Labs., Montreal.
Tomlinson, G. H.—Howard Smith Paper Mills, Montreal.
Thorne, C. B.—C. I. P. Co., Hawkesbury, Ont.
Taylor, J. Ellis—Howard Smith Paper Mills., Cornwall, Ont.
Tomkins, J.—C. I. P. Co., Hawkesbury, Ont.
Walker, C. W.—C. I. P. Co., Three Rivers, Que.
Wang Sigmund—C. I. P. Co., Hawkesbury, Ont.
Wiggett, W. F.—E. B. Eddy Co., Hull, Que.
White, F. O.—Fraser Cos., Edmundston, N.B.
Walker, Wm. J.—Inter. Paper Co., Gatineau, Que.

Woodlands

Open Meeting of Woodland

Balch, R. E.—Dom. Entomological Lab., Fredericton, N.B.
Bishop, J. G.—Northern Electric Co., Montreal.
Chadwick, H.—Northern Electric Co., Montreal.
Claridge, B. E.—Hammermill Paper Co., Matane, P.Q.
Coulombe, J. A.—J. A. Coulombe & Co., Ltd., Quebec.
Crowe, H. S.—Anglo-Newfoundland Development Co., Grand Falls, Nfld.
Frazier, L. E.—American Chain Co., Bridgeport, Conn.
Holloway, E. S.—Watson Jack & Co., Montreal.
Howe, C. D.—Faculty of Forestry, University of Toronto, Toronto.
Irwin, C. H.—Laurentian Forest Protective Assoc., Quebec.
Kearney, W. P.—Dominion Chain Co., Niagara Falls, Ont.
Kellogg, R. S.—Newsprint Service Bureau, New York City.
Langballe, N. B.—Ste. Adele, P.Q.
Meals, C. D.—B. Greening Wire Co., Hamilton, Ont.
Richardson, J. S. — Northern Electric Co., Montreal.
Riley, C. G.—Forest Pathological Service, Div. of Botany, Department of Agriculture, Ottawa.
Schierbeck, Otto—Province of Nova Scotia, Halifax.
Webb, H. P.—Fredericton, N.B.
Wilson, Ellwood—Ithaca, N.Y.

Closed Meetings Of The Woodlands Section

Avery, B. F.—Abitibi Power and Paper Co., Toronto.
Ab-Yberg, W. A.—C. I. P. Co., Montreal.
Bentley, A. W.—International P. & P. Co. of Nfld., Cornerbrook, Nfld.
Boisvert, G. E.—Ontario Paper Co., Quebec, P.Q.
Bryant, Edward S. — Harvard Club, Boston, Mass.
Brown, W. R.—Brown Co., Berlin, N.H.
Crabtree, Harold—Howard Smith Paper Mills, Montreal.
Conens, G. Y.—Spruce Falls Power and Paper Co., Kapuskasing, Ont.
Craig, Robert, Jr.—School of Forestry and Conservation, Ann Arbor, Mich.
Cadman, A. E.—Canadian Pulp & Paper Assoc.
Davis, C. B.—Abitibi Power and Paper Co., Iroquois Falls, Ont.
Delahey, W. A.—C. I. P. Co., Ottawa.
Earle, T. W.—St. Lawrence Corp., Montreal.
Faure, F.—Canada Power and Paper, Montreal.
Fraser, J. M.—C. I. P. Co., Ottawa.
Fogh, I. F.—C. I. P. Co., Three Rivers, P.Q.
Grace, R. L.—C. I. P. Co., Montreal.
Gilmour, J.D.—Anglo-Canadian Pulp and Paper Mills, Quebec.
Gibbs, R. D.—McGill University, Montreal.
Handford, R. J. C.—Howard Smith Paper Mills, Montreal.
Hale, J. D.—Forest Products Labs. of Canada, Ottawa.
Johnson, V. E.—C. I. P. Co., New York City.
Kane, M. R.—Price Brothers & Co., Chicoutimi, P.Q.
Kennedy, H.—E. B. Eddy Co., Hull, P.Q.
Kingston, G. A.—C. I. P. Co., Ottawa.
Lyons, R. W.—Spruce Falls Power and Paper Co., Kapuskasing, Ont.
Lemieux, L.—C. P. & P. A.
Mereweather, M.—C. I. P. Co., Ottawa.
McCurdy, L. R.—McGill University, Montreal.
McElhanney, T. A.—Forest Products Laboratories of Canada, Ottawa.
MacFarlane, R. G.—Fraser Companies Limited, Edmundston, N.B.
Nisbet, R. H.—Price Brothers & Co., Quebec.
Nix, L. A.—Bathurst Power and Paper Co., Bathurst, N.B.
Pepler, W. A. E.—C. I. P. Co., Ottawa.
Rotherv J. E.—Inter. Paper Co., New York City.
Schmon, A. A.—Ontario Paper Co., Montreal.
Schanche, H. G.—Abitibi Power and Paper Co., Ltd., Toronto.
Shaw, E. E.—C. I. P. Co., Gaspé, P.Q.
Sutherland, J. W.—C. I. P. Co., Clova, P.Q.
Tremblay, T. A. V.—Howard Smith Paper Mills, Ltd., Montreal.
Wakefield, W. E.—Forest Products Laboratories of Canada, Ottawa.
Wilcox, F. R.—C. I. P. Co., Ottawa.
Williamson, W. J.—C. I. P. Co., Ottawa.
Wilson, J. O.—Anglo-Canadian Pulp and Paper Mills, Quebec.

Manages Convention

A. E. CADMAN

Who, as secretary of the Canadian Pulp and Paper Association, has been responsible for the 19th annual meeting.

Many Employed in Industry

Over 83,000 Canadians are directly dependent on the pulp and paper industry for their livelihood. Latest figures show that 33,584 men and women were given employment in the industry and the amount paid out in wages totalled $50,214,000 in 1929.

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PAGE SEVEN EVERY WEEK

David & Frère, Limitée

BALANCE SHEET

as at December 31st, 1931

ASSETS

Cash on hand and in bank	$ 2,848.04	
Accounts receivable, less Reserve	100,686.76	
Inventories	44,936.85	
Investments, at market price	33,531.88	
		182,003.53
Land, buildings, machinery and equipment, rolling stock, furniture and goodwill	873,596.74	
Less Reserve for depreciation	136,996.20	
		736,600.54
Deferred charges: taxes, insurance, etc.		3,080.88
		$921,684.95

LIABILITIES

Bank loans	30,000.00	
Accounts payable and accrued charges	15,375.57	
Unclaimed dividends	308.28	
		45,683.85
Capital Stock Issued:		
Ordinary shares, Class "A" 23,000 shares, no par value	690,000.00	
Ordinary shares, Class "B" 23,000 shares, no par value	115,000.00	
		805,000.00
Surplus		71,001.10
		$ 921,684.95

Approved on behalf of the board:

Henri Merrill
L. R. Philie } Directors

AUDITOR'S REPORT

We have examined the books and accounts of "DAVID & FRERE, LIMITEE" for the year ending 31st December 1931, and have received all the information and explanations we have required.

We certify that the above Balance Sheet, in our opinion, shows the true financial position of the Company on December 31st, 1931, according to the best of our information and the explanations given to us as shown by the books of the Company.

(Signed) LaRue & Trudel,
Chartered Accountants.

Montreal, January 27th., 1932.

SURPLUS ACCOUNT

Balance 1st January 1931		160,212.21
Net loss for the year 1931, after provision for Manufacturing, sale and administration charges, but before depreciation	13,156.63	
Reserve for depreciation	30,145.46	
		43,302.09
		$ 116,910.12
Income Tax year 1930	8,419.02	
Dividends on class "A" Stock	37,490.00	
		45,909.02
Balance on December 31st. 1931		$ 71,001.10

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THE FINANCIAL POST

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

February 6,

Montreal, Toronto & Curb Stocks

WEEK ENDING FEBRUARY 1

Range 1932 High	Low	Divd. Rate in $	Yield in % Jan. 30		Sales	Close Jan. 25 (or last)	Week Ending —Feb. 1— High	Low	Close
3	2½	.	...	Abitibi, c.	160	2½	2½	2½	2½
9⅝	6	.	...	Do. pref.	178	8	7½	6	6½
x105	80	.	...	Do. pref.	....	80½	..	..	..
80	80	7	8.8	Acme F. D'y, p	....	80	..	..	..
x9	5½	.	...	Agnew Surp. c.	....	9	..	..	..
x88	83	7	...	Do. pref.	....	83	..	..	..
7	5	.	...	Alta. Pac. Gr.	25	6½	5	5	5
25	25	.	...	Do. pref.	15	30	25	25	25
x4	3	.	...	Amal. Electric	....	3	..	..	..
10½	10	.	...	Do. pref.	425	10	10½	10	10½
x3½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.25	.25	.	...	Asbestos	....	.25	..	..	..
1	1	.	...	Do. pref.	15	1	1	1	1
6	5½	60c	10.4	Assoc. Brew.	55	5½	6	5¾	5¾
68½	68½	7	10.2	Do. pref.	10	70	68½	68½	68½
x10	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	4+50	...	Assoc. Tel.	....	66	..	..	..
x37½	12¾	.	...	Atlan. Sugar*	....	22½	..	..	..
92½	92	.	...	Do. pref.	25	92	92½	92½	92½
159¾	159¾	10	6.3	Bk. Can. Nat.*	....	159¾	..	..	..
225	225	12	5.3	Bk. Montreal*	2	225	225	225	225
274	274	16	5.8	Bk. N. Scotia*	75	274	274	274	274
x238	213	12	5.6	Bk. Toronto*	....	213	..	..	..
x24	8½	.	...	Barcelona Tr.	....	15	..	..	..
x5¼	3	.	...	Bathurst Pr.	....	3	..	..	..
x5	1	.	...	Do. (B)	....	1	..	..	..
‡26	26	.	...	Bawlf Grain	....	..	..	..	..
x25	20	.	...	Do. pref.	....	20	..	..	..
x12	6	.	...	Beath & Sons	....	6	..	..	..
10	10	1	10	Beatty Bros. A	....	10	..	..	..
60	57	6	10	Do. pref.	2	60	60	60	60
3½	3½	.	...	Beauharnois*	....	3½	..	..	..
x93	85	7	8.2	Belding Cort.*	....	85	..	..	..
x100	90	7	7.8	Do. pref.*	....	90	..	..	..
x55	10	.	...	Belgo C. P. pf	....	10	..	..	..
120	119	8	6.7	Bell Telephone*	147	119	120	119	119
x4½	2	.	...	Biltmore Hats.	....	2	..	..	..
x65	45	7	...	Do. pref.	....	45	..	..	..
4	4	.	...	Bissell, T. E.	....	4	..	..	..
‡97	88	.	...	Do. pref.	....	..	..	..	..
8	6½	.	...	Blue Ribbon	100	6½	6½	6½	6½
25	20½	2	9.9	Do. pref.	5	24	20½	20½	20½
18	17½	2	11.1	Brant. Cd. pf.	40	17½	18	18	18
13⅜	10⅝	1	7.8	Brazilian Tr.	9009	12⅞	13½	12½	12⅞
x¾	⅜	.	...	Brew. & Distil.	....	⅜	..	..	..
1	⅜	.	...	Brewing Corp.	190	⅜	1	⅜	1
3½	3	.	...	Do. pref.	....	3½	..	..	..
10⅞	9⅝	80c	7.9	Brit. Amer. Oil	1891	10½	10⅞	10	10⅞
1½	1	.	...	B.C. Packers	85	1½	1¼	1	1
6½	4½	.	...	Do. pref.	....	6½	..	..	..
26	24	2	8.3	B.C. Power*	208	24	24	24	24
6	5⅞	.	...	Do. (B)	15	5⅞	6	5⅞	6
x8	4½	.	...	Bruck S. Mills*	....	4½	..	..	..
20½	17	2	9.9	Building Prod.	85	20	20½	19	19
32	30	3	9.4	Burt, F. N.	....	32	..	..	..
x146	137	6	4.4	Calgary Pr.*	....	137	..	..	..
3	2½	.	...	Can. Bread	....	2½	..	..	..
85	82	7	8.4	Do. pref. (A)	5	85	83	83	83
25	25	2	8	Do. pref. B.	....	25	..	..	..
9	7	1	12.1	Canada Bud	440	8⅜	8½	8	8
7	5½	.	...	Can. Cement*	706	6½	6½	6	6½
66	61	6.50	10.2	Do. pref.	94	63½	65½	63	65½
b13½	10	1.20	10	Canada Dry	4300	11½	12⅛	11¾	12
x12	10	.	...	Can. Forg. A*	....	10	..	..	..
‡16	5	.	...	Do. (B)	....	..	..	..	..
x68	60	3	5	Canada Iron	....	60	..	..	..
x80	75	6	7.5	Do. pref.	....	80	..	..	..
x650	630	20	...	Canada Life	....	630	..	..	..
12¾	11¾	1.50	11.8	Can. Malting	41	12¾	12¾	12½	12½
x25½	15	80c	4.1	Can. Nor. Pr.*	....	19½	..	..	..
x107	104	7	6.6	Do. pref*	....	106	..	..	..
x6	⅜	.	...	Can. Paving	....	⅜	..	..	..
x51	10⅞	.	...	Do. pref.	....	10½	..	..	..
186	185	12	6.5	Can. Perman.*	3	185	185	185	185
1	1	.	...	Can. Pr. & Pa.	....	1	..	..	..
2	2	.	...	Can. Steamsh's	10	3	2	2	2
9	9	.	...	Do. pref. *	....	9	..	..	..
16	14	1.60	10.3	Can. Vinegar	220	16	15⅞	15	15
55	55	4	7.3	Can. W. Cable*	485	55	55	55	55
18	18	.	...	Do. (B)*	50	18	18	18	18
x16	9⅞	.	...	Can. Bakeries.	....	9¾	..	..	..
14	12	.	...	Do. pref.	100	..	14	12	13
191	191	12	6.3	Can. Bk. Com.*	11	191	191	191	191
x36½	19	1.25	6.6	Can. Bronze*	....	19	..	..	..
102	102	7	6.9	Do. pref.*	....	102	..	..	..
x13½	8	20c	2.5	Can. Canners*	....	8	..	..	..
80	80	6	7.5	Do. 1st pf.*	....	80	..	..	..
x14	8⅝	68c	7.5	Do. 2nd pf.*	....	9	..	..	..
7½	6½	1	14.8	Can. C. & F'y*	290	7⅛	7	6¾	6¾
16	15	1.75	11.5	Do. pref.*	315	15	15½	15	15
x14½	6	.	...	Can. Celanese*	....	6½	..	..	..
x73½	59	7	10.8	Do. pref.*	....	65	..	..	..
x58	30	2	6.7	Can. Convert.*	....	30	..	..	..
‡50	45	.	...	Can. Cottons*.	....	..	..	..	..
60	60	6	10	Do. pref.	....	60	..	..	..
13½	12⅜	.	...	Can. Dredge	60	12¾	13	12¾	12¾
x92	92	7	7.6	Do. pref.	....	92	..	..	..
68	68	6	8.8	Can. Fairb. pf.	50	68	68	68	68
x6	5½	.	...	Can. For. Inv.	....	6	..	..	..
x80	70	8	10.4	Do. pref. *	....	77	..	..	..
x300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
58	54½	3.50	6.2	Do. pref.	27	56½	56½	56	56
66	66	6	9.1	Can. Hy E. pf.*	....	66	..	..	..
1½	1½	.	...	Can. Ind. Alc.	335	1½	1⅝	1½	1½
.50	.50	.	...	Do. (B)	265	.75	.75	.50	.55
x5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
x70	64½	5	...	Do. pref.	....	65	..	..	..
x42	15	1	...	Can. Lt. & Pr.*	....	25	..	..	..
x18	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	5	..	..	..
b1¼	¾	.	...	Can. Marconi	3800	1	1	⅞	1
10½	10	1	9.8	Canadian Oil	40	10	10½	10½	10½
x120	95½	8	8	Do. pref.	....	100	..	..	..
18½	13¼	1.25	..	Can. Pacific	3335	17½	18	16½	17
x6½	5	.	...	C. Pr. & P. Inv	....	5	..	..	..
2½	2	.	...	Can. Vickers	120	2½	2½	2	2½
20½	20½	.	...	Do. pref.	....	20½	..	..	..
2⅜	2	20c	8.9	Can. Wineries	....	2¼	..	..	..
7½	7	1	14.3	Can. Wire Box	75	7	7½	7	7
12	12	.	...	Catelli Mac A*	....	12	..	..	..
x5	5	.	...	Do. (B)	....	5	..	..	..
x301	290	12+2	4.7	Cent. Can. L'n*	....	300	..	..	..
2.05	1.44	10c	...	Chem. Research	8075	1.80	1.76	1.44	1.50
7.25	6.00	30c(c)	..	Cities Service	....	7.25	..	..	..
6	4½	.	...	Cockshutt Plow	375	5	6	5	6
x9	3	.	...	Comm. Alcohol	....	4	..	..	..
3⅜	3	.	...	Conduits	....	3	..	..	..
x94	84	7	7.8	Do. pref.	....	90	..	..	..
8	7½	1	13.8	Cons. Bakeries	10	7½	7¼	7¼	7¼
1	1	.	...	Cons. Food Pr.	....	1	..	..	..
x6	3	.	...	Do. (A)	....	3	..	..	..
5	4	.	...	Cons. Indust.	....	5	..	..	..
x5	5	.	...	Cons. Paper	....	5	..	..	..
15	15	.	...	Cons. Press	....	15	..	..	..
x80	50	7	14	Cons. Sand, pf.	....	50	..	..	..
72	66	2.50†	3.5	Cons. Smelt.	668	69	70¼	67	70¼
166	160	10	6.2	Consumers Gas	156	160	161	160	160
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	4	...	Do. pref.	....	..	..	..	..
x20½	15	.	...	Corpor. Steel*	....	15	..	..	..
‡90	90	.	...	Corr. P. Box pf	....	..	..	..	..
3½	3½	.	...	Cosgrave Br.	360	3½	3½	3½	3½
5	3¼	.	...	Cosmos Imp.	10	4½	3⅞	3⅞	3⅞
68	68	7	10.3	Do. pref.	....	68	..	..	..
3	2¾	.	...	Crown Dom. Oil	20	3	2¾	2¾	2¾
13	13	3	...	Crow's N. Coal	....	13	..	..	..
x5	3	.	...	David & Fre. B	....	3	..	..	..
x12½	12½	.	...	De Havilland	....	12½	..	..	..
x9	5	.	...	Disher Steel	....	5	..	..	..
x10	10	1.50	..	Do. pref.	....	10	..	..	..
6½	5⅝	1	16.7	Distill-Seagram	519	6⅞	6¼	5¼	6
194	194	12	6.2	Dominion Bk.*	....	194	..	..	..
27	27	2.50	9.2	Dom. Bridge*	1	27	27	27	27
x40	40	.	...	Dom. Coal*	....	40	..	..	..
22½	22	.	...	Dom. Engin.*	....	22½	..	..	..
‡14	10	.	...	Dom. Found.	....	..	..	..	..
x126	82	5	6.1	Dom. Glass*	....	82	..	..	..
112	100	7	7	Do. pref.	10	112	100	100	100
4	3	40c	10	Dom. Motors	757	3	4	3	3½
7½	5	.	...	Dom. Pr. Stubs	25	5¾	5	5	5
x24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
2½	2	.	...	Dom. St. & CB	185	2	2¼	2	2¼
18	16½	1.20+30c	8.6	Dom. Stores	669	18	17½	17	17½
x14	5	.	...	Dom. Tar & C.*	....	5¾	..	..	..
x95	79½	6.50	8.2	Do. pref.*	....	79½	..	..	..
63½	63½	5	7.9	Dom. Textile*	2	63½	63½	63½	63½
x123	120	7	5.8	Do. pref.	....	120	..	..	..
x12	10	.	...	Donnacona*	....	10	..	..	..
2	1½	.	...	Dryden Pap.*	115	1½	1½	1½	1½
4	4	.	...	Duff. Paving	....	4	..	..	..
x80	68	7	10.3	Do. pref.	....	68	..	..	..
x25½	16	1	5	East. Dairies*	....	20	..	..	..
x20	16	50c	...	East. Steel*	....	16	..	..	..
x100	97	7	7.1	Do. pref.*	....	98	..	..	..
‡25	18	.	...	East Koot. Pr.	....	16	..	..	..
x97	94½	7	...	Do. pref.	....	96	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
‡85	80	7	...	Do. pref.	....	..	..	..	..
x3⅜	3⅜	.	...	Easy Washer	....	3¾	..	..	..
x37	34½	1.75	4.7	Economic Inv.*	....	37	..	..	..
x15	15	.	...	Edmonton D'y	....	15	..	..	..
x80	78½	6.50	8.3	Do. pref.	....	78⅝	..	..	..
x8	5	.	...	Enam. & Heat*	....	5	..	..	..
19	19	3	15.8	Eng. Electric	65	19	19	19	19
2½	2½	.	...	Do. (B)	....	2½	..	..	..
x39½	16	2	..	Fam. Players	....	18	..	..	..
x33½	18	2	..	Do. Vot. Tr.	....	18	..	..	..
10	10	1	10	Fanny Farmer.	5	10	10	10	10
29	28	2.40	8.6	Do. pref.	4	28½	28	28	28
‡83½	75	.	...	Firstbrook Box	....	..	..	..	..
14	11	.	...	Ford Motors A	556	13¾	13½	13⅛	13¼
3⅞	3⅛	.	...	For. Pr. Secs.	10	..	3⅞	3⅛	3⅛
x16½	8	1	11.1	Foundation Co.	....	9	..	..	..
1¼	1	.	...	Fraser Cos.	200	1¼	1	1	1
x8	5	.	...	Frost Steel	....	7	..	..	..
x96½	85	7	...	Do. pref.	....	85	..	..	..
2½	2	.	...	Gen. St. Wares	100	2⅛	2	2	2
79	70	5	7	Goodyear Tire.	40	75	71	70	70
88½	80	7	8.1	Do. pref.	9	85½	86	84	86
x93½	93½	7	...	Gould Pumps p	....	93½	..	..	..
¾	¾	.	...	Gt. W. Saddlery	....	¾	..	..	..
x8	6	.	...	Do. pref.	....	8	..	..	..
21	21	2	9.5	Gurd. Chas.*	2	21	21	21	21
5	5	.	...	Gypsum, Lime*	20	5	5	5	5
7	7	.	...	Ham. Bridge*	....	7	..	..	..
x80	63	6.50	10.1	Do. pref.*	....	64	..	..	..
10	10	.	...	Ham. Cot., pf.	25	10	10	10	10
4½	1	.	...	Ham. U. Theat	....	1	..	..	..
x63	55	7	11.7	Do. pref.	....	60	..	..	..
4	3½	.	...	Hayes Wheel	....	3½	..	..	..
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.*	....	..	..	..	..
1	1	.	...	Hinde & Dauch	....	1	..	..	..
x75	75	.	...	Holt Renfrew	....	75	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3½	3	.	...	Honey Dew	10	3	3⅛	3	3⅛
40	38	7	17.5	Do. pref.	....	40	..	..	..
3⅜	3	.	...	H. Smith Pap.	50	3¾	3	3	3
27	27	.	...	Do. pref.	....	27	..	..	..
21½	21	2.40	11.4	Humberstone S	15	21½	21¼	21	21
x23½	17	1.40	8.2	Hunt (A)	....	17	..	..	..
x23½	18½	1.40	7.6	Do. (B)	....	18½	..	..	..
x150	143	8	5.5	Huron & E. M*	....	144	..	..	..
x29½	28	.	...	Do. 20% pd*	....	28	..	..	..
9½	8⅞	.	...	Hydro Electric	5	9	9½	9½	9½
193	193	12	6.2	Imperial Bank.	....	193	..	..	..
10½	9½	50+50c	10	Imperial Oil	6588	10⅛	10½	9¾	10
9	7¼	35c	4.3	Imperial Tob.	712	8	8⅛	7¾	8
x80	80	8	...	Inter. Coal, p.	....	80	..	..	..
x29	9⅛	2a	...	Int. Hyd. E. A	....	9⅛	..	..	..
96	96	7	7.3	Inter. Mill. pf.	7	96	96	96	96
x80	80	6	7.5	Do. Series, A	....	80	..	..	..
11	8⅝	20c	2.1	Inter. Nickel	16179	9½	9¾	9	9½
4	4	.	...	Inter. Paints	....	4	..	..	..
b2½	1⅞	.	...	Int. Pa. & Pr A	100	2¼	2⅛	2⅛	2⅛
b1	1	.	...	Do. (B)	200	1	1	1	1
b⅞	⅝	.	...	Do. (C)	1000	⅝	⅝	⅝	⅝
b11	7⅛	.	...	Do. pref.	200	9	8⅝	8¼	8⅝
11⅝	10¾	1	8.9	Inter. Pete.	1755	11⅜	11¼	10⅞	11¼
x8	5	.	...	Inter. Power*	....	5	..	..	..
x73	56¼	.	...	Do. pref.*	....	57	..	..	..
8	7	.	...	Int. Util. (A).	....	7½	..	..	..
3	2	.	...	Do. (B)	....	3	..	..	..
x40	40	1	2.5	Jam. Pub. Ser*	....	40	..	..	..
x109	99¾	7	7	Do. pref.*	....	100	..	..	..
x5½	2¾	.	...	Kelvinator	....	3	..	..	..
88	88	7	7.9	Do. pref.	35	90	88	88	88
7	6	.	...	Lake of Woods	10	7	6	6	6
x101	82	.	...	Do. pref.	....	85	..	..	..
x140	140	8	5.7	Landed Bank.*	....	140	..	..	..
38	37	3	7.9	Laura Secord	....	38	..	..	..
8	8	1	12.5	Lindsay, C. W.	....	10	..	..	..
60	60	6.50	10.8	Do. pref.	....	60	..	..	..
10¾	10	80c	7.6	Loblaw (A)	281	10¾	10¾	10	10
10½	9½	80c	8.4	Do. (B)	220	10	9¾	9½	9¾
‡2¾	2¾	.	...	Loew's, London	....	..	..	..	..
x25	10	.	...	MacKin. Steel.	....	20	..	..	..
x95	90	7	7.7	Do. pref.	....	91	..	..	..
6½	6½	.	...	Manitoba Pr.	150	..	6½	6½	6½
x10½	4⅝	.	...	Maple Leaf	....	4⅝	..	..	..
20½	12	.	...	Do. pref.	62	18	15	12	12
x38	30	.	...	Marcus Loew's	....	38	..	..	..
x73	70	.	...	Do. pref.	....	73	..	..	..
4½	3½	.	...	Massey-Harris	1840	3¾	4	3½	3¾
10½	9¾	60c	6	McColl Fron.	885	10	10	9¾	9¾
x80	69¾	6	7.9	Do. pref.	....	76	..	..	..
x45	35	.	...	Mexican L & P	....	35	..	..	..
‡25	25	.	...	Mercury Mills.	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	2	5	Mitchell, J. S.*	....	40	..	..	..
x105	104	7	6.7	Do. pref.	....	105	..	..	..
8	8	1	12.5	Mitchell, Robt*	....	8	..	..	..
x1	1	.	...	Monarch Knit.	....	1	..	..	..
30	30	.	...	Do. pref.	....	30	..	..	..
x95½	83½	6	6.5	Montreal Cot.*	....	92	..	..	..
x102	98	7	7	Do. pref.*	....	100	..	..	..
x2½	2½	.	...	Montreal Exhib	25	2¾	2½	2½	2½
x20	14	.	...	Mont. Is. Pr.	....	14	..	..	..
38	36	1.50	4.2	Mont L & P*	1678	36	36	36	36
x49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
47	44½	3.20	7.2	Montreal Tele.	....	44½	..	..	..
150	150	10	6.7	Mont. Trams.	....	150	..	..	..
10	9	1	10	Moore Corp. c.	20	10	10	10	10
93	93	7	7.5	Do. (A)	2	97½	93	93	93
97	95	7	7.4	Do. (B)	....	95	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	1	...	Do. pref.	....	..	..	..	..
2	2	10c	...	Muirheads	....	2	..	..	..
8	8	75c	9.4	Do. pref.	5	9	8	8	8
24	24	1.60	6.7	Nat. Brew.*	....	24	..	..	..
x35	27	1.75	5.6	Do. pref.*	....	31	..	..	..
‡10	3	.	...	Nat. Brick	....	..	..	..	..
x19	5	.	...	Do. pref.	....	5	..	..	..
x.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
12½	10	2	20	Nat. Steel Car*	163	10	10	10	10
255	245	14	5.5	National Tr.*	10	250	255	245	255
10	10	1	10	Niag. W. Weav.	....	10	..	..	..
x36	22	3	9.4	Do. pref.	....	32	..	..	..
2.50	2.00	.	...	North Star Oil	200	2.50	2.25	2.00	2.25
x4.95	4.00	35c	8.2	Do. pref.	....	4.25	..	..	..
‡25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
x285	125	8	4.3	Ogilvie Flour*	....	185	..	..	..
x130	116¾	7	6	Do. pref.	....	117	..	..	..
8	7	40c	5	Ont. Eq. 10% p	10	7	8	8	8
x120	113	6	5.1	Ontario Loan*	....	117	..	..	..
x7	5	.	...	Ont. Silknit	....	7	..	..	..
x16	13	.	...	Ont. Steel*	....	13	..	..	..
‡105	105	7	...	Do. pref.*	....	..	..	..	..
x1¼	1	.	...	Orange Crush.	....	⅜	..	..	..
45	44	7	15.6	Do. (A)	....	44	..	..	..
5½	1	.	...	Do. (B)	....	1	..	..	..
x110	90	6	5.7	Ott. L H & P*	....	105	..	..	..
x105½	102	6.50	6.3	Do. pref.	....	103	..	..	..
x25	25	.	...	Ott. Traction	....	25	..	..	..
68	61¾	5	8.1	Page Hersey	510	63	63	61¾	62
x49	21½	2.50	...	Paramount	....	21½	..	..	..
x35	30	.	...	Paton Mfg.	....	30	..	..	..
x94	82	7	7.4	Do. pref.	....	94	..	..	..
x½	¼	.	...	Pelissiers	....	¼	..	..	..
x30	25	.	...	Do. pref.	....	30	..	..	..
x73	31	3	9.1	Penmans*	....	33	..	..	..
x101	98	6	6.2	Do. pref.	....	97	..	..	..
x.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
18	18	1	11.1	Photo Eng.	10	16½	18	18	18
x40	10	.	...	Port Alfred, pf.	....	10	..	..	..
x70	64	7	10	Porto Rico P. p	....	70	..	..	..
b9	4½	.	...	Postal Tele.	....	..	..	..	..
36½	36½	2	5.5	Power Corp.*	....	36½	..	..	..
90	90	6	6.7	Do. pref.*	....	90	..	..	..
2	2	.	...	Prairie C. Oil.	20	2	2	2	2
7¾	7½	25c	3.2	Pressed Metals	....	7¾	..	..	..
x42¾	25	.	...	Price Bros.*	....	25	..	..	..
x99	70	6.50	9.3	Do. pref.*	....	70	..	..	..
29	29	2	6.9	Quebec Power*	4	29	29	29	29
x110	105	7	6.7	Real Estate L*	....	105	..	..	..
2	1	.	...	Regent Knit.	....	1	..	..	..
x10	5½	.	...	Reliance Grain	....	9	..	..	..
10½	10	2	20	River S. Mills.	5	10½	10	10	10
12	12	1.50	12.5	Robinson Cone	....	12	..	..	..
x16½	9	.	...	Rogers Majest.	....	9	..	..	..
x291	231	12	5.2	Royal Bank*	....	231	..	..	..
x84	75	.	...	Ruddy, E. L. p	....	75	..	..	..
x77¾	32	2	5.7	Russell Motor	....	35	..	..	..
70	67	7	10.4	Do. pref.	15	70	69	67	67
x7	7	.	...	Sarnia Br. (A)	....	7	..	..	..
‡12	5	.	...	Do. (B)	....	..	..	..	..
7	5	.	...	Serv. Station	220	6	6	6	6
46	45	6	13	Do. pref.	....	46	..	..	..
33	33	2	6.1	Shawinigan*	27	33	33	33	33
20	17	1.60	9.1	Sher.-Wms.	....	17	..	..	..
x121	112	7	6.1	Do. pref.	....	115	..	..	..
17	17	2.50	14.7	Simon & Son*	5	17	17	17	17
x92	88½	7	7.7	Do. pref.*	....	91	..	..	..
55½	45	6.50	14.3	Simpsons Ltd.	20	50	45½	45	45
x44½	36	.	...	Do. (A)	....	36	..	..	..
x35½	24½	.	...	Do. (B)	....	29	..	..	..
x108	100	6	5.8	Simpson, Robt.	....	103	..	..	..
1.00	.75	.	...	St. Law. Corp.	450	.80	1.00	.75	.75
8½	2⅞	.	...	Do. (A)	....	3	..	..	..
x20	16	.	...	St. Law. Flour	....	16½	..	..	..
x85	82	7	8.2	Do. pref.	....	85	..	..	..
11	9	.	...	St. Law. Pap. p	1164	9	10¼	9	10¼
x30	4	.	...	St. Maur. V. p	....	4	..	..	..
25	25	1	4	So. Can. Pr.*	....	25	..	..	..
x106¼	104	6	5.7	Do. pref.	....	105¾	..	..	..
3	2¾	.	...	St. Pav. & Mat.	135	3	3	2¾	2¾
x80	55	7	11.7	Do. pref.	....	60	..	..	..
x1	1	.	...	Stanfords	....	1	..	..	..
4	4	1	...	Stand. Chem.	....	4	..	..	..
2½	2	.	...	Stand. Steel	40	2	2¼	2¼	2¼
x35	30	3	10	Do. pref.	....	30	..	..	..
22	20	1.75	8.6	Steel of Can.*	972	21	21	20	21
29	28	1.75	6.2	Do. pref.	25	28	28	28	28
½	½	.	...	Sterling Coal	....	½	..	..	..
18½	16¾	1	5.5	Super. Pet. ord.	75	18	18	18	18
98	95	7	7.1	Do. pref.	....	98	..	..	..
x31	14	1	6.7	Do. com.	....	15	..	..	..
x49	41	.	...	Tamblyn	....	49	..	..	..
100½	100	7	6.9	Do. pref.	15	98	100½	100	100
17	17	3.50	..	Thayers, pref.	10	19	17	17	17
x13	6½	.	...	Tip Top Tailors	....	7	..	..	..
x90	77	7	8.4	Do. pref.	....	83	..	..	..
x22	10	.	...	Tooke Bros.	....	10	..	..	..
x67	48½	.	...	Do. pref.	....	48½	..	..	..
12	11	.	...	Tor. Elevators.	25	11	11	11	11
x235	210	12	5.6	Tor. Gen. Tr.*	....	215	..	..	..
x115	108	6	5.4	Toronto Mtge.*	....	110	..	..	..
x3	1	.	...	Traymore	....	1¼	..	..	..
x12½	7	.	...	Do. pref.	....	7	..	..	..
x130	120	7	5.5	Tuckett Tob. p	....	128	..	..	..
3⅛	3⅛	.	...	Twin City	70	3½	3⅛	3⅛	3⅛
b24½	13	7	..	Do. pref.	....	..	..	..	..
x45	28	.	...	Do. (notes).	....	35	..	..	..
5	4⅛	1	..	Union Gas.	275	4¾	4½	4⅛	4½
x101½	98	7	7	Union Trust*	....	100½	..	..	..
x8	3	.	...	United Fuel	....	6½	..	..	..
15	10	.	...	Do. pref.	5	15	10	10	10
x62½	40	2	5	United Secs.	....	40	..	..	..
11	10½	.	...	Viau Biscuit	....	10½	..	..	..
x85	70	7	10	Do. pref.*	....	70	..	..	..
12	12	.	...	Wabasso Cot.*	....	12	..	..	..
3¾	2⅝	25c	8	Walker-Good.	3262	3⅛	3¾	3	3
3¾	3½	.	...	Waterloo Mfg.	....	3¾	..	..	..
x45	30	1	2.6	Weston Bisc.*	....	38	..	..	..
x90	79	7	8.9	Do. pref.*	....	79	..	..	..
8	8	.	...	West. C. Flour	....	8	..	..	..
x96	70	6.50	9.3	Do. pref.	....	70	..	..	..
10	10	.	...	West. Grocers.	1	10	10	10	10
43	43	7	16.3	Do. pref.	....	43	..	..	..
x91	85	.	...	W. Steel P. p*	....	91	..	..	..
‡9	9	.	...	Whittall Can.	....	..	..	..	..
x13	10	.	...	Windsor Hotel*	....	12	..	..	..
x73	71	6.50	9.1	Do. pref.*	....	71	..	..	..
8	6	.	...	Winnipeg Elec.	75	6½	6¾	6	6
x81½	49	.	...	Do. pref.*	....	50	..	..	..
x40	36	.	...	Woods Mfg. p*	....	36	..	..	..
x80	80	.	...	Wood, Alex, Jp	....	80	..	..	..
‡2½	1½	.	...	Zimmerknit	....	..	..	..	..
x7	7	.	...	Do. pref.	....	..	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1930.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
† Plus stock bonus.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

January 29, 1932

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber c.	5⅞	..
Can. Amer. Tr. sh.	..	3¾
City Dairy (Wpg.) pref.	..	75
Corporate Steel c.	..	10
Crescent Cream. pf.	..	85
Home Investment	..	50

	Bid	Ask
Monarch Life	25	30
North. Trust	..	24
Un. Gr. Growers	13	14
West Breweries	1½	2
Fund. Tr. shs. A	..	3¾
Do., B	..	4
Grouped Inc. Shs.	..	4.33

Active Current Bond Prices

February 1, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	100¼	101.	4.86
Dominion of Canada 5½/34	99⅞	99⅞	5.60
Dominion of Canada 5/43	95.	95½	5.53
Dominion of Canada 4½/46	89½	90.	5.53
Dominion of Canada 4½/56	88.	89.	5.36
Dominion of Canada 4½/58	89½	90.	5.38
C. N. R. (Dom. of Can. Guar.) 5/54	91½	92½	5.60
C. N. R. (Dom. of Can. Guar.) 4½/51	88.	89.	5.41
C. N. R. (Dom. of Can. Guar.) 4¾/55	90.	90½	5.47
C. N. R. (Dom. of Can. Guar.) 4½/56	87½	88½	5.36
C. N. R. (Dom. of Can. Guar.) 5/69	93½	94.	5.38
Province of Ontario 4½/44	92.	93.	5.25
Province of Ontario 5/48	91.	92½	5.70
Province of Ontario (Hydro) 4½/70	84.	86.	5.62
Province of Quebec 4½/56	88.	92.	5.05
Abitibi Power & Paper 5/53	41.	45.	12.65
Argentine Gov't. (Ser. B) 6/58	53.	54.	...
Beauharnois Power 6/59	52.	55.	11.90
Bell Telephone Co. of Canada 1st, 5/57	100.	102.	4.85
Brazil, U. S. of, Ext. S. F. 6½/57	20.	21½	...
British Columbia Power 5/60	78.	82.	6.25
British Columbia Power 5½/60	86.	90.	6.25
British Columbia Telephone 5/60	88.	92.	5.55
Calgary Power 5/60	78.	83.	6.30
Calgary Brewing 5/42	98.	102.	4.80
Canada Cement 1st Mtge. S. F. 5½/47	87.	90.	6.55
Canada Gypsum Lime & Alabastine 5½/48	60.	70.	9.15
Canada Northern Power Corp. 5/53	75.	80.	6.80
Canada Steamship Lines 1st & Gen. 6/41	37.	45.	...
C. P. R. Collateral Trust 5/54	86.	90.	5.80
C. P. R. Secured 4½/44 Notes	77.	82.	6.45
Chile Republic Ext. S. F. 6/60	12½	13.	...
Colombia Republic Ext. S. F. 6/61	27½	28½	...
Davies, Wm. 6/42	70.	80.	9.00
Dominion Canners 6/40	96.	100.	6.00
Dominion Square Corporation 6/48	60.	65.	10.30
Dominion Tar & Chemical 6/49	76.	80.	8.25
Dominion Textile 6/49	97.	100.	6.00
Duke Price Power 1st, 6/66	93.	96.	6.30
Eastern Dairies, Ltd., Conv., 6/49	86.	92.	6.80
Eaton, T. Realty 5/49	84.	90.	5.90
Famous Players 6/48	68.	76.	8.80
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	65.	75.	8.80
Fraser Companies 6/50	35.	45.	...
Gatineau Power, 1st Mtge. 5/56	75.	78½	6.78
Gatineau Power, S. F. Debs. 6/41	67.	70.	11.00
General Steel Wares 6/52	42.	...	...
Howard Smith Paper Mills 5½/53	56.	63.	9.50
Harris Abattoir 6/47	75.	85.	7.75
Manitoba Power, 1st S. F. 5½/51	60.	70.	8.75
Maple Leaf Milling 5½/49	63.	68.	9.20
Massey-Harris 1st Mtge. 5/47	64.	69.	8.40
MacLaren Quebec Power 5½/61	76.	81.	7.00
Montreal Coke, 1st S. F. 5½/47	94.	98.	5.70
Montreal Island Power 5½/57	85.	89.	6.40
Montreal Light, Heat & Power 5/51	95.	98.	5.20
Montreal Tramways 1st Coll. Trust 5/41	90.	98.	6.00
Montreal Tramways Gen. Ref. 4½/55	70.	75.	6.60
Montreal Tramways 5/55	78.	82.	6.50
Moodie, J. R. 6/48	85.	90.	7.00
Ogilvie Flour Mills 6/32	99.	101.	4.95
Ontario Power Service 5½/50	62.	67.	8.90
Ottawa Valley Power 5½/70	88.	91.	6.15
Power Corporation of Canada 4½/59	60.	67.	7.30
Price Bros. 1st S. F. Ser. "A" 6/43	55.	61.	11.55
Quebec Power 1st Mtge. Coll. S. F. 5/68	85.	90.	5.65
Shawinigan Water & Power 4½/70	83.	89.	5.15
Shawinigan Water & Power 5/70	92.	98.	5.12
Simpsons 6/49	78.	85.	7.50
Southern Canada Power 1st, 5/55	90.	96.	5.30
United Securities Coll. Trust 5½/52	85.	90.	6.37
West Kootenay Power 5/56	84.	88.	6.00
Windsor Hotel 6½/43	90.	100.	6.50
Windsor Hotel 6/47	85.	90.	7.10
Winnipeg Electric 5/35	90.	100.	5.00
Winnipeg Electric 6/54	60.	70.	9.20

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Acme Farmers Dairy, pref.	7%	3½%	Feb. 10	Jan. 30
B. C. Electric Rly. pfd.	5%	2½%	Jan. 15	Jan. 4
Bk. Can. Nationale	10%	2½%	Mar. 1	Feb. 15
Bank of Montreal	12%	3%	Mar. 1	Jan. 30
Borden's	$3	75c	Mar. 1	Feb. 15
Bank of Toronto	12%	3%	Mar. 1	Feb. 15
Brazilian Tr. ord.	$1	25c	Mar. 1	Jan. 30
Canadian Car, c.	$1	25c	Feb. 29	Feb. 15
Can. Converters	2%	50c	Feb. 15	Jan. 30
Can. Wire & Cable "A"	$4	$1	Mar. 15	Feb. 29
Do., pref.	6½%	1⅝%	Mar. 15	Feb. 29
Canadian Car, pref.	$1.75	44c	Apr. 9	Mar. 26
Can. Hydro Elec. 1st pfd.	6%	1½%	Mar. 1	Feb. 1
Canadian Oil, c.	$1	25c	Feb. 15	Feb. 1
Do., pref.	8%	2%	Apr. 1	Mar. 19
Can. Bank of Commerce	12%	3%	Mar. 1	Jan. 31
Cons. Sand & Gravel, pfd.	$7	$1.75	Feb. 15	Jan. 30
Capital Trust, c.	$5	$5	Mar. 1	Dec. 31
Chase, A. W., 8% pfd.	....	$1.50	Feb. 10	Jan. 30
Cosmos Imp., pref.	$7.00	$1.75	Feb. 15	Jan. 28
Canada Bread, "B"	$2	50c	Mar. 1	Feb. 15
Crow's Nest Coal	$3	75c	Mar. 1	Feb. 10
Dome Mines	$1	25c	Apr. 20	Mar. 31
Dominion Bridge	$2.50	62½c	Feb. 15	Jan. 30
Do.	...	62½c	May 16	Apr. 30
Eastern Theatres, com.	$2	50c	Mar. 1	Jan. 30
East Koot. Pr., pref.	$7.00	$1.75	Mar. 15	Feb. 29
Foreign Pr. Secs. pfd.	6%	1½%	Feb. 15	Jan. 31
Foundation Co.	$1	25c	Feb. 15	Jan. 30
Hydro-Elec. Sec. "B" pfd.	50c	25c	Feb. 1	Jan. 22
International Coal	....	2%	......	Feb. 1
Kelvinator, pref.	7%	1¾%	Feb. 15	Feb. 5
Lindsay, C. W.	$1	25c	Mar. 1	Feb. 15
Do., pref.	6½%	1⅝%	Mar. 1	Feb. 15
Laura Secord, c.	$3	75c	Mar. 1	Feb. 15
Langley's, pref.	$7.00	$1.75	Feb. 15	Jan. 30
Loblaw Groc. c. "A"	80c	20c	Mar. 1	Feb. 12
Do., com. "B"	80c	20c	Mar. 1	Feb. 12
McColl Fron., c.	60c	15c	Mar. 15	Feb. 15
McIntyre Mines	20%	5%	Mar. 1	Feb. 1
National Biscuit pfd.	7%	$1.75	Feb. 29	Feb. 11
Do., com.	$2.80	70c	Apr. 15	Mar. 18
Northern Can. Mtge. pfd.	$1.50	37½c	Jan. 15	Dec. 31
Northern Trusts, c.	$1	50c	Feb. 1	Jan. 27
N. S. Light & Pr. pfd.	$6	$1.50	Mar. 1	Feb. 13
Ont. Equitable	40c	20c	Feb. 10	Feb. 2
Ontario Steel, pref.	7%	1¾%	Feb. 15	Jan. 30
Power Corp., com.	$2	50c	Feb. 20	Jan. 30
Penmans, com.	$3	75c	Feb. 15	Feb. 5
Royal Bank	12%	3%	Mar. 1	Jan. 30
South Can. Power com.	$1	25c	Feb. 15	Jan. 30
Standard Paving, pref.	$7	$1.75	Feb. 15	Jan. 30
Sherbrooke Trust, c.	$6	$1.50	Feb. 1	Jan. 15
West. Can. Hydro "A" com.	60c	15c	Jan. 20	Jan. 15
Western Homes, c.	4%	2%	Jan. 15	Jan. 15
Western Empire Life Assur.	4%	4%	Mar. 1	......

Dividends Passed or Deferred:

Ontario Steel, com. Feb. 15 passed. Last paid 20c. Nov. 16, 1931.

Canada Wire & Cable, Class "B" Mar. 15 passed. Last paid 25c. Dec. 15, 1931.

Can. Power & Paper Investments, pref. Feb. 15, passed. Last paid 62½c. Nov. 16, 1931.

Upper Canada Investment pref. Payment due Mar. 1 not declared. Future payments may be semi-annual. Last payment 43¾c. Dec. 1, 1931.

Dividend Rate Reduced:

Can. Converters 50c. Feb. 15. Reduced from $4 to $2 per annum.

Dominion Bridge, 62½c. Feb. 15. Reduced from $3 to $2.50 per annum.

Can. Car. com., 25c. Feb. 29, reduced from $1.75 to $1 per annum.

Penmans, com., 75c. Feb. 15. Reduced from $1 to 75c. quarterly.

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co., Limited,
Canada Permanent Bldg., Toronto, Ont.
February 2, 1932

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
Alberta	4½	1 Oct., 1958	1 Apr.	78.95	6.10
Alberta	5	1 July, 1943	1 July	91.00	6.10
Alberta	6	1 Apr., 1936	1 Apr.	99.40	6.15
British Columbia	4½	1 Oct., 1953	1 Apr.	82.85	5.90
British Columbia	5	15 Jan., 1948	15 July	90.75	5.90
British Columbia	6	15 Aug., 1941	15 Feb.	100.00	6.00
Manitoba	4	1 July, 1947	1 July	79.55	6.05
Manitoba	5	2 Dec., 1959	2 June	86.00	6.05
Manitoba	4½	1 Oct., 1949	1 Apr.	89.35	6.05
New Brunswick	4	1 June, 1948	1 June	84.35	5.45
New Brunswick	4¾	15 June, 1936	15 June	97.25	5.45
New Brunswick	6	1 Jan., 1936	1 July	101.75	5.50
Nova Scotia	4½	15 Nov., 1948	15 May	89.55	5.45
Nova Scotia	5	1 May, 1943	1 May	96.20	5.45
Nova Scotia	6	1 Nov., 1936	1 May	102.15	5.50
Ontario	4½	1 Sept., 1944	1 Mar.	93.00	5.25
Ontario	5	15 Oct., 1948	15 Apr.	94.50	5.50
Ontario	6	2 May, 1936	2 May	100.50	5.85
P. E. I.	4	1 Apr., 1939	1 Apr.	88.05	6.00
P. E. I.	4½	1 Oct., 1944	1 Apr.	86.60	6.00
Quebec	4¼	1 May, 1961	1 May	86.42	5.15
Saskatchewan	4½	1 Oct., 1944	1 Apr.	84.58	6.25
Saskatchewan	5	1 Oct., 1950	1 Apr.	86.20	6.25
Saskatchewan	6	1 Feb., 1936	1 Aug.	98.80	6.35
Cities					
Montreal	5	1 Sept., 1963	1 Mar.	91.10	5.60
Toronto	4½	1 Jan., 1955	1 July	85.85	5.60
Vancouver	5	15 Jan., 1970	15 July	83.80	6.10
Winnipeg	5	1 Mar., 1944	1 Mar.	90.55	6.10
Edmonton	5½	1 Apr., 1947	1 Apr.	88.65	6.80
Calgary	5	1 Jan., 1943	1 July	86.20	6.80
Halifax	6	1 July, 1951	1 July	100.00	6.00
Saint John	5	15 Dec., 1950	15 June	88.75	6.00
Regina	4½	1 July, 1950	1 July	76.00	6.80
Victoria	5	21 July, 1945	21 July	90.00	6.10
Quebec	5	1 June, 1948	1 June	98.35	5.15

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)

February 2, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.20	.40
Acadia Sugar pfd.	2.00	2.70
Allens Coll. pfd.	29.00	....
Allens Lond. pfd.	29.00	....
Andian N. Corp.	20.50	24.00
B. C. Pulp & Paper c.	1.75	3.25
B. C. Pulp & Paper 7% pfd.	14.00	....
Can. Biscuit pfd.	....	9.00
Can. & Dom. Sugar c.	16.50	18.50
Can. Machinery c.	5.00	7.50
Can. Machinery 7% pfd.	21.00	31.00
Can. Packers 7% pfd.	78.00	83.00
Can. Packers c.	11.50	14.00
Can. Starch pfd.	70.00	....
Can. Tea pfd.	55.00	....
Can. Wire & Cable pfd. W.W.	83.00	90.00
Can. Celanese pfd.	51.00	....
Can. Indus. c. 'A'	77.00	....
Do., "B"	77.00	85.00
Do., 7% pfd.	105.00	112.00
Can. West'house	50.00	56.00
Chase, A. W. Units	30.00	36.00
Cons. Oka Sand & Gravel pfd.	50.00	....
Copeland Flour 6% pfd.	....	10.00
Dairy Corp. pfd.	....	40.00
Dodge Mfg. "A" pfd.	6.50	....
Dodge Mfg. "B" com.	.50	....
Dom. Foundries & Steel pfd.	54.00	....
Dom. Foundries & Steel com.	5.50	8.50
Dom. Manuf. pfd.	72.50	....
Dunlop Tire 7% pfd.	65.00	77.50
East. Car 6% pf.	43.00	....
Fed. Grain pfd.	21.00	28.00
Goderich Elevator & Transit	14.00	16.50
Greening Wire 7% pfd.	83.00	90.00
Guard. Realty pfd.	34.50	40.00
Guelph Carpet pf.	71.00	....
Hard. Carpet pfd.	....	52.00
Inter City Baking com.	30.00	42.00
Internat. Prop. 'A'	22.00	24.75
Loew's London c.	.50	2.00
Loew's Lond. pfd.	3.50	5.50
M. & P. Stores pf.	....	94.00
Massey-Harris pf.	9.00	14.00
Morrow Screw Nut 7% pfd.	94.00	98.00
Mount Royal Htl. Scrip	1.00	....
Mount Royal Htl. com.	2.00	....
Mount Royal Htl. 6% pfd.	13.00	....
Nat. Grocers c.	1.00	1.60
Nat. Grocers 2nd 7% pfd.	34.00	42.00
Para. Oshawa c.	8.50	....
Prov. Paper pfd.	....	65.00
Rolland Paper pfd. W.W.	35.00	....
Standard Clay Products c.	10.00	....
Standard Fuel pfd. bonus	54.00	63.00
Supertest Petrol. "B" pfd.	17.00	
Toronto Brick pf.	45.00	60.00
Tor. Carpet c.	112.00	....
Tor. Carp. 8% pf.	98.00	....
Tor. Elev. 7% pf.	68.00	75.00
Tor. Housing c.	20.00	30.00
United Amuse. 'A'	13.50	....
West. Grain pfd.	25.00	30.00
Willards Choc. pfd.	27.50	40.00
Insurance Stocks:		
Br. Amer. Assce.	23.50	
Can. Life Assce.	425.00	500.00
Can. Nat'l Fire	18.00	25.00
Can. Fire Ins.	75.00	84.00

	Bid	Asked
Capital Life 20% pd.	10.00	1
Confederation Life 20% pd.	150.00	185.
Crown Life	100.00	
Dominion Fire	90.00	120.
Dom. of Can. Gen. Ins.	195.00	215.
Dominion Life 50% pd.	240.00	350.
Excelsior Life 30% pd.	100.00	125.
Fidelity Insur. of Canada	....	72.
Great West Life	300.00	375.
Guarantee Co. of N. A.	235.00	
Halifax Fire	8.00	14.00
Imperial Life	275.00	330.00
Manufac. Life	270.00	305.00
Monarch Life 10% pd.	18.50	23.
National Life 25% pd.	110.00	122.
Saskatchewan Life 10% pd.	10.00	18.
Sovereign Life 25% pd.	25.00	30.
Sun Life Assur.	425.00	525.
West. Assur. Co.	23.50	29.
Western Life 20% pd.	8.00	
Trust & Loan Stocks:		
Brit. Mtge. & T.	160.00	
Can. Gen. Invest. Ltd.	4.75	
Chartered Trust		
Debenture & Sec. com.		
Debenture & Sec. pfd.		
Eastern Can. Sav. & Loan	118.00	
Eastern Trust	120.00	150.00
Guelph & Ont. Inv. par $50	52.00	62.00
Investment Found. Units	19.00	21.00
Lambton Loan & Savings	75.00	
London & West. Trust	97.00	107.00
Midland Loan & Savings	16.50	
Mtge. Disct. pfd.	4.00	4.50
Mutual Fin. pfd.	2.00	4.50
Mutual Fin. com.	2.00	4.50
Premier Trust	70.00	80.00
Security Loan & Savings	100.00	
Sherbrooke Tr.	110.00	
Sterling Trust	....	90.00
Traders Fin. pfd.	32.00	40.00
Traders Fin. com.	....	4.00
Trusts & Guar.	....	72.00
Victoria Trust & Savings	166.00	
Waterloo Trust & Savings	115.00	130.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	94.00	97.50
Calgary Pwr. pfd.	63.00	70.00
Can. Light & Power c.	19.00	23.00
Can. West. Nat. Gas LH&P c.	20.00	....
Can. West. Nat. Gas LH&P pfd.	65.50	71.00
Great Lakes Pwr. pfd.	....	81.00
N.B. Pwr. 1st pf.	40.00	60.00
N.B. Telephone c.	9.00	11.75
N.S. L&P pfd.	68.00	80.00
Ottawa LH&P 6½% pfd.	93.00	103.00
Recent London Quotations:		
Brewer Distillers	2s. 6d.	
Can. & For. Sec.	7s. 6d.	
Can. West. Lumber	1s. 6d.	
Hudson's Bay	20s. 6d.	
Do., 5% pfd.	55s.	
Internat. Holdings	$1 5-16	
Nfld. Pr. & Pap. deb. stk.	85	
Trust & Loan of Can. (15s. pd.)	5s.	

Stocks With Minimum Prices

Atlantic Sugar, com.	22½
Beauharnois Pr. "A"	3½
Belding-Cort., c.	85
Do., pref.	90
Bell Telephone	119
B. C. Power "A"	24
Bruck Silk Mills	4½
Calgary Power	137
Canada Cement	5
Do., pref.	60
Canada Forgings "A"	10
Can. Nor. Power, c.	19½
Do., pref.	106
Canada Steamships, pfd.	9
Can. Wire & Cable "A"	55
Do., class "B"	18
Can. Bronze	19
Do., pref.	102
Can. Canners, c.	8
Do., 1st pref.	80
Do., convert. pfd.	9
Can. Car & Foundry	6½
Do., pref.	14½
Can. Celanese	6½
Do., pref. 7%	65
Can. Converters	30
Can. Cotton	50
Can. For. Invest. pfd.	75
Can. Hyd.-Elec. pfd.	66
Can. Int. Inv. Tr., pfd.	50
Can. Light & Pr.	25
Catelli Mac., pfd. "A"	12
Corporate Steel	9½
Dominion Bridge	27
Dominion Coal, pfd.	25
Dom. Engineering	18
Dom. Glass, com.	82
Dom. Tar & Chem.	5
Do., pref.	82
Dom. Textile, com.	63½
Donn. Paper	10
East. Dairies	20
East. Steel, com.	15
Do., pref.	97
Enamel & Heat. Prod.	5
Gurd & Co.	21
Gypsum, Lime	5
Hamilton Bridge	7
Do., pref.	64
Hillcrest Coll., pfd.	88
Inter. Power	5
Do., pref. 1st.	57
Jamaica Pub. Ser.	40
Do., pref.	100
Mitchell, J. S.	35

Mitchell, Robt.	8
Montreal Cottons	92
Do., pref.	95
Mont. Light, Heat	34
Nat. Breweries	24
Do., pref.	31
National Steel Car	10
Ogilvie Milling	185
Ont. Steel Products	10
Do., pref.	90
Ottawa L. H. & Pr.	104
Penmans, com.	33
Power Corp.	36½
Do., pref.	90
Price Bros.	25
Do., pref.	70
Quebec Power	29
Shawinigan Power	33
Simons & Sons	17
Do., pref.	90
Southern Can. Pr.	25
Do., pref.	105½
Steel Co. of Can.	20
Viau Biscuit, pfd.	75
Wabasso Cotton	10
West. Steel Pr., pfd.	85
Weston's, com.	38
Do. pref.	75
Windsor Hotel	10
Do., pref.	72
Winnipeg Electric, pref.	50
Woods Mfg., pref.	40
Trust and Loan	
Canada Perman.	185
Central Can. Loan	295
Economic Invest.	33
Huron & Erie	139
Do., 20% paid	28
Landed Banking	145
National Trust	245
Ontario Loan	114½
Real Estate Loan	105
Tor. Gen. Trusts	210
Tor. Mortgage	108
Union Trust	98
Banks	
Banque Canadienne	159½
Bank of Commerce	191
Dominion Bank	194
Imperial Bank	193
Bank of Montreal	225
Bank of N. S.	274
Royal Bank	221
Bank of Toronto	203

Listed Bond Quotations

Week Ending February 1

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	†38	...	...	39½	34½
Asbestos	5	1942	10.55	†65	...	...	65½	...
Asbestos, 1st mtge.	6	1941	...	†14	...	...	x20	14
Do., gen. mtge.	6	1956	...	14	...	...	x9	...
Can. Cons. Rub.	6	1946	...	...	...	...	x69½	...
Can. Cottons	5	1940	6.48	...	...	...	x91	90
Can. Forgings	6	1942	6.00	...	...	...	x100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (La. Ser.)	5½	1958	...	10	...	...	x28½	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	x28½	5¼
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.15	...	98	...	98	98
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	5.29	...	...	...	x98½	98
McNish	6	1948	...	2.00	...	...	x3.25	2.25
Mex. L. & Pr.	5	1940	10.05	...	...	...	x73½	70½
Mont. L. H. & P.	4½	1932	...	...	...	...	‡100	98½
Mont. Tr. 1st mtge.	5	1941	5.83	...	...	...	x101½	90½
Mont. Tr. "A"	5	1955	6.82	†79½	79	...	79½	79
Mont. Tr. G. & R. "B"	5	1955	6.75	†79½	...	...	79½	78½
Do., "C"	4½	1955	5.64	...	...	...	x85	84
Do., "D"	5	1955	6.85	†79½	...	...	78½	78
N. S. Steel	5	1959	...	...	...	...	x62½	59
Ogilvie Flour "A"	6	1932	6.00	†100	100	...	100	...
Do., "B"	6	1932	...	†100	...	...	‡100½	100
Do., "C"	6	1932	6.00	†100	100	...	100	...
Ont. Steel	6	1943	5.94	†100½	...	...	100½	...
Porto R. Pr.	5	1936	7.95	†102½	...	...	x93	83
Steel of Can.	6	1940	4.98	...	...	...	x107½	106½
Wayagamack	6	1951	...	41	...	...	x75	45
Winn. Elec.	5	1935	5.12	91	...	...	x99½	98½
Toronto								
Canada Bread	6	1941	6.00	†80	...	...	x101½	100
Steel of Can.	6	1940	5.12	...	...	...	x106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.80	105.75	105.00	....	105.50	105.00
Victory Loan	5½	1933	5.14	100.65	100.25	....	100.25	....
Do.	5½	1934	5.60	99.75	99.50	99.25	99.65	99.25
Do.	5½	1937	4.56	104.75	104.40	104.38	104.75	104.00
Do., refund	4½	1940	5.70	92.00	91.50	....	92.50	91.50
Do., refund	5	1943	5.53	95.60	95.60	95.38	97.00	95.38
Do., refund	4½	1944	5.60	90.50	....	....	89.50	....
Do., refund	4½	1946	5.53	90.50	....	....	....	....
Do., renewal	5½	1932	4.97	100.37	....	....	99.87	....
Conversion Loan	4½	1956	5.34	89.00	....	....	88.50	88.25
Do.	4½	1957	5.40	89.00	....	....	....	....
Do.	4½	1958	5.32	90.25	88.50	....	89.25	88.50
Do.	4½	1959	5.36	90.25	89.75	89.00	90.00	89.00
Nat. Service Loan	5	1936	5.76	97.00	97.00	96.62	97.25	96.25
Do.	5	1941	5.60	95.50	95.00	94.90	97.13	94.90

†Latest bid.
‡Quotations for 1930. x—For 1931. None recorded in 1932 to date.

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NOVA SCOTIA'S COAL MINES SEEK MARKETS

(Continued from page 11)

coal may be taken up with a more complete knowledge of facts.

Too Many Non-Producers

It is contended that before a permanent cure can be had for Nova Scotia's coal ills the question of the operators' ability to produce more coal per man per day, and as a consequence at a lessened cost per ton, must be settled. The future success of coal-mining hinges, to a considerable extent, upon more economical operation, which must include the consolidation of coal mining operations. Before economy in operation can be possible, it is the contention of the operators that the ratio of the men who are actually mining coal and those who are non-producers of coal must be reversed, or at least balanced. Today, on an average, in the collieries of the major Nova Scotia operators, out of every hundred men employed about the collieries, less than forty are coal producers and more than sixty are non-producers.

High Ratio of Labor Cost

The cost of mining coal in Nova Scotia is a moot problem, especially when it is compared with that of the competitors in the United States. The cost of labor per ton of coal mined in the competitive fields of the United States averages about one-third the cost in Nova Scotia. Nova Scotia collieries produce at the rate of two tons per man employed underground and on the surface a day. Production in the competitive fields of Pennsylvania and West Virginia exceeds 5 tons per man per day. The average pit-mouth cost of bituminous coal in West Virginia is $1.59 and in Pennsylvania $1.90. These figures are taken from a United States Department of Commerce report. The Dominion Bureau of Statistics gives the cost or value of coal at exceeding $4 a ton in Nova Scotia.

Miners on Short Time

While it is true that conditions in the bituminous fields of the United States and Nova Scotia are dissimilar — Nature having given the United States fields an advantage in this respect—yet it is the contention of the Nova Scotia operators that, considering the modern equipment of their mines, the same output could be obtained with fewer men, and to the extent the tons per day are increased by elimination of superfluous mines and surplus non-producing workmen, together with other operating economies, there would be a more reasonable chance of selling Nova Scotia coal in competition with coal from the United States. Thousands of miners have been working on short time and thousands of investors have not been receiving a cent in return over a period of years for the reason that, under present conditions influencing costs, Nova Scotia coal cannot be mined and sold at a profit.

The closing of collieries and the consolidation of coal-mining operations is taking place in England, Germany, the United States and other coal fields as a necessary economy and the contention is that unless Nova Scotia coal-mining adopts these economies, it must shrink in importance and extent of steady employment created.

Large Drop in Tonnage

The need for economical operation by the elimination of all unnecessary overhead costs and a greater and more practical assistance to the coal-mining industry in order that greater coal sales and steadier employment may be attained is emphasized in the output figures of the Nova Scotia coal operators. Over a three-year period the output of the Nova Scotia mines has shown a sharp drop, the 1931 tonnage being two million short of that of 1929. The gross Nova Scotia output figures, giving the combined production of all the mines and showing the percentage of output of the major operators, the Dominion Steel and Coal Corporation, are:

Output in Short Tons

	1929	1930	1931
Total	7,063,840	6,588,556	4,934,720
Dosco	6,306,656	5,634,668	3,875,000
% Dosco ..	89½%	88½%	88%

Peak Came Before War

The year 1913 was the banner one in coal production for Nova Scotia for all time, that year showing a peak of production which has been, with slight variations, reducing year by year since. There are many reasons for this. One of the greatest factors is that other methods of producing energy have replaced that of coal in industrial uses, and, to a certain extent, in domestic uses. One of these is oil, which reduces the former coal market for bunkering purposes. Another reason is that steam railways are meeting, year by year, stiffer competition from automobiles and motor trucks with the result that less coal is being used by the railways. Coal, too, has been replaced to a considerable extent by water-generated electricity, while refinements in steam practice, with the introduction of high-pressure boilers and turbine engines, have increased the efficiency of coal as a source of heat and power, but as a consequence have lessened coal consumption.

Science Meets Problem

It is possible that with modern automatic coal-stoking devices, enabling the larger consumer to get a greater heat value from slack or pulverized coal, the inroads of oil into coal consumption may be considerably lessened. As knowledge of the value of coke as compared with anthracite coal increases, and the fact is more widely recognized that it may be used to distinct advantage both as regards cost and heating qualities, coke is expected to largely replace coal in the domestic markets, which would permit another outlet for soft coal and would lessen the imports of anthracite. As conditions improve, especially for the railways and in steel manufacturing, the improvement will be reflected in increased coal sales, but until conditions do improve and until some means are devised whereby Canadian coal may replace American coal to some extent on the Canadian markets, the Canadian coal operators will be forced to operate on a comparatively low-production basis with its attending greater comparative production costs. Until this time it will not be possible to stabilize coal production.

It is estimated that, without further development and with the present number of men employed about the mines, Nova Scotia could produce approximately 9,000,000 net tons a year, or 3,712,800 more than the production of 1931. A production of 9,000,000 tons would, it is estimated, give the Nova Scotia mines full-time operation under present development and projected consolidation of mine workings, and this, it is argued by many, would approach the maximum yearly tonnage that Nova Scotia mines could economically produce. But the question which naturally arises, taking the maximum economical production at its face value, where could this extra tonnage be sold?

When it is considered that the Canadian importation of coal from the United States alone approximates the entire normal output of all the Canadian coal mines combined, it is not necessary further to emphasize Canada's independence upon the United States for an article which is a basic Canadian product. Canada imports approximately eighteen and a half million tons of coal annually; the imports from the United States amount to more than seventeen and a half million tons. Put at a pit-mouth value of, say, $4 a ton for bituminous, this means that Canadians are sending out of the country approximately $75,000,000 a year.

This figure might be further emphasized and an important point brought home if it is pointed out that in Nova Scotia coal operations, it is estimated that for every ton of coal mined approximately $2.50 goes into wages to mine workers, to say nothing of the large amount that must be expended daily for mine equipment and the transportation of coal from the mines. On this basis Canadian coal importations mean an annual loss of wages to mine workers alone of about $46,000,000 annually

Is Larger Problem

The matter of production costs is a problem for the operators, and this, no doubt, will be worked out on some satisfactory basis. It involves in part, as has been suggested before, a point on which the operators and employees have failed to agree. The ironing out of this will, no doubt, be one of the major duties of the commission which is to investigate the industry. But the problem of increasing coal sales in highly competitive markets in order to stabilize production and costs is beyond the operators' ability. Even if all the proposed reduced operation costs were put into effect, it would still be impossible to appreciably widen the market in the face of foreign coal competition. This is a problem which, no doubt, will seriously engage the attention of the Dominion government and should engage the attention of the Nova Scotia government to a considerable extent.

Canadian Quotations—Cont'd

Foreign Exchange

	New York Funds High (Premium)	New York Funds Low	Last Year High (Premium)	Last Year Low
January 27	15¼%	15¼%	9-64	5-64
January 28	15½	15¼	13-128	3-32
January 29	15⅞	15⅝	7-64	3-32
January 30	15¾	15¼	7-64	3-32
February 1	15⅝	14¾	7-64	3-32
February 2	15	14	7-64	1-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
January 27	3.46	3.93 5-8	5.02 1-4
January 28	3.46 1-2	3.93 1-2	5.01 3-4
January 29	3.45 3-4	3.93 1-2	5.01 3-4
January 30	3.45 1-4	3.93 1-2	5.00 3-4
February 1	3.45	3.93 5-16	5.01
February 2	3.45 1-2	3.93	5.01 3-4

FOREIGN EXCHANGE

Par		Jan. 19	Jan. 26	Feb. 3
5.26	Italian	5.84	5.77½	5.80¾
23.80	German	27.32	27.09¾	27.13½
13.90	Belgian	16.15	16.06	15.96
49.80	Japanese	43.21	42.20	41.84

Winnipeg Grain Prices

Week to February 2

Crop Year from Aug. 14 High	Low		Open Jan. 27	High for week	Low for week	Close Feb. 2
		Wheat				
.76⅜	.55½	May	.61⅜	.64½	.60⅞	.62¾
.77⅞	.61⅞	July	.62⅞	.65⅞	.62⅛	.64⅛
.67⅞	.63⅞	Oct.	.64	.67	.63⅜	.65⅜
		Oats				
.38	.28	May	.31⅞	.32⅝	.31⅛	.32
.37½	.31⅜	July	.31⅛	.32½	.31⅛	.32
		Barley				
.47⅜	.32¼	May	.39⅜	.40½	.39¼	.39¼
.45⅞	.38⅞	July	.39¼	.40	.39	.39¼
.43¾	.38⅛	Oct.	....	.40	.38⅞	.39¼
		Flax				
1.21	.97½	May	1.02¼	1.05⅛	1.01¼	1.02¼
1.16¼	1.00⅞	July	1.01⅞	1.06	1.01½	1.02½
		Rye				
.59¼	.32¼	May	.45⅞	.48	.45½	.46⅞
.59	.43⅞	July	.46⅞	.49	.46⅞	.47⅞

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week to February 2

High †to date	Low		Close Jan. 26	High for week	Low for week	Close Feb. 2
		Wheat				
.72	.53⅞	May	.57⅛	.59	.56½	.58
.60⅜	.53⅞	July	.58½	.59½	.58	.59

†Since trading opened March 3, 1931.

Mining Stock Quotations

Week Ending February 1

Par Val.	Range 1932 High	Range 1932 Low	Company	Sales	Close Jan. 27 (or last)	High for week	Low for week	Close Feb. 1
1	.05	.04	Abana..........	......	.05	.....	.....	.....
1	.02	.01	Aconda..........	1,000	.01	.01	.01	.01
1	*.05¼	.03½	Adrien..........	......	.04¼	.....	.....	.....
No	.15	.15	Aldermac..........	......	.15	.....	.....	.....
1	.08½	.05¼	Alexandria..........	24,500	.07	.07	.05¼	.06
1	.01	.00¾	Algonquin..........	22,500	.00⅞	.01	.00¾	.01
1	.01	.00¼	Amity C..........	3,000	.00¼	.00¼	.00¼	.00¼
No	.22	.17	Amulet..........	2,900	.19	.19	.17	.18
1	.00¼	.00¼	Apex..........	6,000	.00¼	.00¼	.00¼	.00¼
1	.01½	.01¼	Area..........	1,000	.01¼	.01½	.01½	.01½
1	*.01	.00½	Argo. Cons..........	......	.01	.....	.....	.....
No	.02	.01¼	Arno..........	8,300	.01¼	.01¼	.01¼	.01¼
1	.02	.02	Astoria..........	......	.02	.....	.....	.....
1	*.02	.00¼	Atlas..........	......	.00¼	.....	.....	.....
1	.03½	.03¼	Bagamac..........	......	.03½	.....	.....	.....
1	.00¾	.00¼	Baldwin..........	3,000	.00¼	.00¾	.00¼	.00¾
1	.11	.07	Barry Hollinger..	9,600	.07¼	.07¼	.07	.07¾
No	1.00	.90	Base Metals..........	400	.90	.90	.90	.90
No	*.04	.00⅞	Bathurst..........	......	.03	.....	.....	.....
5s	*1.75	.60	B'Wana McKubwa	......	1.00	.....	.....	.....
1	*.28	.26	Ben Nevis..........	......	.27	.....	.....	.....
No	.12	.05	Bidgood..........	23,200	.05¼	.06¼	.05¼	.06¼
1	.16	.12	Big Missouri..........	9,400	.13½	.13	.12	.13
1	*.05¼	.04¾	Blue Quartz..........	......	.04¾	.....	.....	.....
1	.05¼	.02¾	Bobjo..........	37,500	.04¼	.05¼	.04¼	.05¼
No	*.01	.00¼	Boischatel..........	......	.01	.....	.....	.....
1	.07½	.06¾	Brett Trethewey	1,000	.06¼	.07	.06¼	.06¼
No	.03	.02	Brownlee..........	19,700	.02¼	.02¾	.02	.02¾
1	*.02	.00¼	Buckingham..........	......	.00¼	.....	.....	.....
No	.30¼	.22½	Buffalo Can..........	21,600	.28¼	.30¼	.27½	.29¼
No	.02½	.01⅞	Bunker Hill..........	1,000	.02	.01⅞	.01⅞	.01⅞
No	*.03	.01	Cal. Flin Flon..........	......	.01	.....	.....	.....
1	*.04	.01	Cambro Kirk..........	......	.04	.....	.....	.....
No	.03	.03	Canam Metals..........	500	.02	.03	.03	.03
1	.03¼	.01½	Can. Kirkland..........	35,875	.02	.03¼	.01½	.03¼
1	.09	.04	Canusa..........	54,500	.05¼	.09	.05¼	.07½
1	.02½	.00¾	Capital Rouyn..........	253,000	.01	.01	.00¾	.01
1	.15	.13	Castle Trethewey	4,900	.14	.13½	.13	.13
1	.08	.06¼	Cen. Manitoba..........	5,300	.07	.07	.06¼	.06¼
1	.07¼	.05¼	Cen. Patricia..........	1,500	.05¾	.05¼	.05¼	.05¼
1	*.03	.01¼	Champion R..........	......	.02¼	.....	.....	.....
No	.07½	.06¼	Chibougamau Pros.	1,300	.07	.07	.06¼	.06¼
No	.01½	.01	Clericy..........	2,000	.01	.01¼	.01¼	.01¼
5	3.00	2.50	Coast Copper..........	100	3.00	2.75	2.75	2.75
1	.02	.01¼	Cobalt Contact ..	9,000	.01½	.02	.01¼	.01¼
1	*.02	.00¾	Col. Kirkland..........	......	.01½	.....	.....	.....
1	.08	.03	Columario..........	8,000	.06⅛	.06¼	.06	.06
5	.75	.75	Coniagas..........	400	1.00	.75	.75	.75
No	.40	.32	Coniaurum..........	100	.32	.35	.35	.35
25	72.00	66.00	Cons. Smelters..........	668	69.00	70.25	67.00	70.25
1	*.40	.15	Cons. Venus..........	......	.40	.....	.....	.....
1	*.01	.00¼	Corona..........	......	.00¼	.....	.....	.....
1	.01½	.01¼	Crown Reserve..........	......	.01¼	.....	.....	.....
No	.09½	.07	Dom. Explorers..	18,300	.08½	.08¾	.08	.08½
1	*.03	.00¼	Dom. Kirkland ..	......	.00¾	.....	.....	.....
No	10.50	9.30	Dome Mines..........	3,885	10.00	10.05	9.55	9.95
1	.01	.01	Don Rouyn..........	......	.01	.....	.....	.....
No	*.33	.30	Don Woolsey..........	......	.30	.....	.....	.....
1	*.01	.00½	Dunkin..........	......	.00½	.....	.....	.....
1	*.02½	.00¼	Duprat..........	......	.01¼	.....	.....	.....
1	1.33	1.05	Eldorado..........	18,560	1.21	1.27	1.20	1.21
No	1.05	.95	Falconbridge..........	225	.95	1.00	1.00	1.00
1	.04	.02½	Federal..........	2,200	.03½	.03½	.02½	.03½
No	.00½	.00½	Flintoba..........	......	.00½	.....	.....	.....
No	.07	.06	Gem Lake..........	6,200	.07	.07	.06½	.07
No	*.04½	.01½	Gilbec..........	......	.02	.....	.....	.....
1	.02	.02	Goldale..........	......	.02	.....	.....	.....
10	.11	.11	Goldfield..........	......	.11	.....	.....	.....
1	.00½	.00½	Gold Hill..........	......	.00½	.....	.....	.....
1	.04	.03½	Goodfish..........	4,000	.03¾	.04	.03½	.03½
1	.01	.00½	Graham..........	......	.01	.....	.....	.....
1	1.25	1.00	Granada..........	2,030	1.04	1.03	1.00	1.00
1	.20	.17	Grozelle..........	9,610	.20	.20	.20	.20
No	*.30	.29	Halliwell..........	......	.28	.....	.....	.....
1	.02	.02	Harker..........	1,000	.02	.02	.02	.02
1	.01½	.01	Hilltop..........	10,500	.01½	.01½	.01	.01½
5	5.70	5.25	Hollinger..........	4,170	5.50	5.65	5.25	5.30
1	.36	.32	Howey Gold..........	21,900	.35½	.36	.32	.32
No	2.78	2.45	Hudson Bay..........	4,145	2.60	2.65	2.45	2.52
No	*.40	.20	Huronian..........	......	.20	.....	.....	.....
No	11.00	8.62	Inter. Nickel..........	16,170	9.50	9.75	9.00	9.50
1	.01½	.01¼	Jackson Manion .	6,400	.01¼	.01½	.01¼	.01½
1	.23	.23	Keeley..........	500	.23	.23	.23	.23
1	.02¾	.01	Keora M..........	15,500	.01¼	.02¾	.02	.02
1	.70	.50	Kirk. Hud. Bay..	500	.50	.50	.50	.50
1	.02¼	.01¼	Kirk. Hunton..........	53,700	.01¾	.02¼	.01¾	.02
1	.55	.49	Kirkland Lake..........	11,200	.50	.51	.49	.49
1	.03½	.01½	Kirk. Premier..........	21,500	.02	.03	.01¾	.03
1	.13	.09	Kirk. Townsite..........	6,000	.09	.10	.09½	.10
20c.	.01½	.00¾	Koot. Florence..........	......	.00¾	.....	.....	.....
1	.01½	.00¾	La Rose..........	1,000	.00¾	.01½	.01½	.01½
1	*.69	.38	Lakeland..........	......	.42	.....	.....	.....
1	29.10	28.00	Lake Shore..........	7,420	28.75	29.10	28.25	28.75
1	.00½	.00½	Laval..........	......	.00½	.....	.....	.....
1	.01½	.01½	Lebel Oro..........	......	.01½	.....	.....	.....
No	*.35	.35	Locarno..........	......	.35	.....	.....	.....
1	.40	.35	Macassa..........	3,050	.38	.37	.35	.35
1	.05	.03	Malartic..........	2,100	.04	.04	.03	.03¾
No	.05	.05	Mandy..........	......	.05	.....	.....	.....
No	.01½	.01	Manitoba Basin..	16,500	.01	.01½	.01	.01½
1	.30	.30	McKinley..........	......	.30	.....	.....	.....
5	19.50	17.30	McIntyre..........	340	18.25	18.00	17.90	18.00
No	.08¾	.03½	McLeod River..........	254,500	.07	.08¾	.07	.08
1	*.04	.04	McVittie..........	......	.04	.....	.....	.....
1	*.29	.03	MacMillan..........	......	.10	.....	.....	.....
No	1.43	1.25	Mining Corp..........	1,735	1.30	1.38	1.25	1.25
1	.08½	.05	Moffatt Hall..........	212,500	.06½	.07	.05½	.06¾
1	*.04	.02½	Moneta..........	......	.03	.....	.....	.....
1	*.00½	.00½	Mtl. Rouyn..........	......	.00½	.....	.....	.....
1	.40	.30	Moss..........	23,050	.38	.39	.36	.36
1	.02½	.01¾	Murphy..........	1,000	.01¾	.01¾	.01¾	.01¾
No	.03	.02½	Newbec..........	3,000	.02½	.02½	.02½	.02½
1	*.40	.25	Nevada..........	......	.25	.....	.....	.....
1	*.09	.02	Night Hawk..........	......	.02	.....	.....	.....
5	1.15	1.00	Nipissing..........	1,170	1.05	1.05	1.00	1.00
No	17.50	15.00	Noranda..........	6,338	15.50	16.65	15.60	16.65
No	.24	.19	Nor. Canada..........	......	.21	.....	.....	.....
No	.01	.00½	Old Colony..........	1,000	.01	.00½	.00½	.00½
1	*.01	.00½	Ophir..........	......	.00½	.....	.....	.....
1	*.10½	.02	Oriole..........	......	.02	.....	.....	.....
1	.06½	.06	Osisko..........	......	.06	.....	.....	.....
1	*.25	.20	Parkhill..........	......	.24	.....	.....	.....
1	.13½	.11	Patricia Dent..........	6,000	.12¾	.13½	.12¾	.13½
1	.02	.01½	Pawnee Kirk..........	1,000	.01½	.02	.02	.02
No	1.15	.85	Pend. Oreille..........	1,900	1.10	1.15	1.09	1.11
1	.01	.00¾	Pete. Cobalt..........	2,500	.01	.01	.00¾	.01
	*.25	.18½	Phoenix Molybd..	......	.25	.....	.....	.....
1	*.01½	.00¾	Picard..........	......	.00½	.....	.....	.....
1	3.86	3.10	Pioneer Gold B.C.	1,400	3.35	3.40	3.30	3.30
1	.04¼	.04	Pioneer..........	......	.04	.....	.....	.....
1	*.02½	.00½	Porcupine Crown.	......	.00½	.....	.....	.....
1	.01½	.01	Potter Doal..........	......	.01	.....	.....	.....
1	*.45	.30	Powell Rouyn..........	......	.30	.....	.....	.....
1	.63	.57	Premier Gold..........	2,300	.60	.62	.60	.60
1	.00⅞	.00⅞	Preston E. Dome.	......	.00⅞	.....	.....	.....
No	.15	.15	Prospectors Air's.	1,000	.15	.15	.15	.15
No	.06	.05½	Quemont..........	......	.06	.....	.....	.....
1	.02	.01	Ribago..........	73,500	.01¾	.01¾	.01	.01¾
1	*.34	.24	Rich. Rock..........	......	.33	.....	.....	.....
1	.02½	.01½	Ritchie..........	46,000	.01¾	.01¾	.01½	.01¾
1	.01½	.01	Robb Montbray .	3,000	.01¼	.01	.01	.01
1	.36	.25	San Antonio..........	800	.33	.35	.32	.35
1	*.21	.10	Seven Troughs..........	......	.10	.....	.....	.....
1	.65	.58	Sherritt Gordon..	7,884	.60	.62	.60	.60
1	.62	.50	Siscoe..........	93,165	.60½	.62	.52	.53
1	.03	.01¾	South Keora..........	6,500	.02	.02¾	.02	.02½
No	.02½	.01¾	Stadacona..........	8,000	.01¾	.02	.01¾	.01¾
1	.17	.07½	St. Anthony..........	22,200	.16½	.17	.15	.16
No	.45	.38	Sudbury Basin..........	1,200	.40	.40	.38	.38
1	.01½	.00½	Sudbury Contact.	......	.01½	.....	.....	.....
1	.00½	.00½	Sudbury Mines..........	39,500	.00½	.00½	.00½	.00½
No	*.00½	.01	Sudbury Nickel..	......	.03½	.....	.....	.....
1	.09	.09	Sullivan..........	......	.09	.....	.....	.....
1	.65	.59	Sylvanite..........	10,500	.62	.65	.60	.62
1	.07	.05½	Tashota..........	1,500	.05½	.05½	.05½	.05½
1	5.25	4.50	Teck Hughes..........	21,020	4.71	4.75	4.50	4.53
1	*.10½	.01	Telluride..........	......	.01	.....	.....	.....
1	*.01½	.01	Temiskaming..........	......	.01½	.....	.....	.....
1	.02½	.02	Thom. Cadillac..	1,000	.02½	.02	.02	.02
1	*.02½	.00½	Tough Oakes..........	......	.01	.....	.....	.....
1	.40	.25	Towagmac..........	1,100	.35	.36	.35	.35
No	1.30	1.01	Treadwell..........	795	1.12	1.24	1.01	1.24
No	*2.85	2.40	Tri-Metals..........	......	2.85	.....	.....	.....
1	.08½	.08	United Kirkland.	17,000	.08½	.08½	.08	.08
1	.01¾	.01½	Vacuum Gas..........	1,000	.01	.01½	.01½	.01½
No	.53	.46	Ventures..........	22,090	.49	.52	.47	.50
1	.17½	.14	Vickers..........	16,500	.16	.17½	.15	.17½
1	.45	.35	Vipond..........	5,700	.40	.40	.35	.36
No	1.00	.60	Waite Ackerman.	300	.90	.90	.90	.90
1	*.02½	.01	West Tree..........	......	.01	.....	.....	.....
1	.03	.03	White Lake..........	......	.03	.....	.....	.....
1	*.06	.01½	Wiltsey..........	......	.01½	.....	.....	.....
No	.01½	.00¾	Windfall R..........	......	.01	.....	.....	.....
	*.13	.03½	Wood Kirk..........	......	.04	.....	.....	.....
No	3.06	2.70	Wright-Hargreaves	7,370	2.87	2.87	2.79	2.80
			WESTERN OIL STOCKS					
No	.19	.15	Acme..........	18,900	.17	.17	.16	.16
1	1.17	1.00	Ajax..........	5,400	1.02	1.05	1.00	1.03
1	.12	.08	Alta. Pacific..........	3,200	.10	.10	.08	.08
	*.01	.01	Askalta..........	......	.01	.....	.....	.....
No	.10	.04½	Associated Gas....	3,335	.07	.07	.04½	.05
No	.04	.02	Baltac..........	1,050	.04	.03	.02	.02
1	*.07	.03	Black Diamond..	......	.02	.....	.....	.....
1	.06	.04½	Brit. Dominion....	......	.04½	.....	.....	.....
No	.38	.31	Calgary & Ed....	250	.34	.34	.32½	.34
1	.09	.06	Calmont..........	1,100	.07	.07	.06	.07
1	.09	.07½	Comm. Pete..........	100	.08	.08	.08	.08
No	*.29½	.26½	Crudome..........	......	.28½	.....	.....	.....
No	.20	.15	Dalhousie..........	10	.20	.15	.15	.15
No	*.08	.01	Devenish..........	......	.01½	.....	.....	.....
No	.02	.01	Dome Oil..........	2,000	.01½	.01	.01	.01
No	.12	.10	East Crest..........	3,200	.11½	.12	.10	.12
No	*.05	.00½	Fabyan Pete..........	......	.00¾	.....	.....	.....
No	*.60	.05	Foothills..........	......	.08	.....	.....	.....
No	.03	.03	Freehold..........	100	.03½	.03	.03	.03
1	.02	.02	Great West..........	......	.02	.....	.....	.....
No	.05	.04	Hargal..........	300	.05	.04½	.04	.04½
No	*.10	.03	Herron Pete..........	......	.03½	.....	.....	.....
No	.05	.04½	High Sarcee..........	500	.05	.04½	.04½	.04½
No	.47	.35	Home..........	2,475	.45	.45	.35	.41
No	.05	.03	Homestead..........	2,550	.04½	.05	.03	.04
1	.48	.24	Homest'd O. & G.	8,500	.28	.33	.24	.33
	*.10	.09	Hylo..........	......	.09	.....	.....	.....
1	.01	.00¾	Illinois Alta.	3,460	.00¾	.00¾	.00¾	.00¾
No	*.70	.10½	Lowery..........	......	.18	.....	.....	.....
1	.02	.01	Madison..........	4,000	.01½	.01½	.01	.01½
1	.15	.14	Mayland..........	1,500	.15½	.15	.14	.15
No	.04	.03½	McD. Segur Ex. .	300	.03½	.03½	.03½	.03½
1	.04½	.03½	McD. Segur N....	......	.03½	.....	.....	.....
1	.50	.32	McLeod..........	100	.35½	.32	.32	.32
No	.10	.08	Mercury..........	11,200	.09	.09	.08	.08½
No	.06	.06	Merland..........	......	.06	.....	.....	.....
No	.12	.10	Mill City Pete...	600	.11	.11	.11	.11
1	.16½	.16½	Model..........	121	.16	.16½	.16½	.16½
1	.04	.04	Monalta..........	......	.04	.....	.....	.....
1	.07	.04½	Moose Mountain.	......	.04½	.....	.....	.....
1	.01	.01	New Federal..........	100	.00¾	.01	.01	.01
5	.14	.10½	Nordon..........	12,600	.11½	.12	.11	.11
No	.04½	.03	Oil Selection..........	6,000	.04	.04	.03	.03
No	.05	.04	Okalta..........	300	.04½	.04	.04	.04
100	15.00	15.00	Do., pref..........	......	15.00	.....	.....	.....
No	.20	.15	Olga Gas & Oil...	2,500	.20	.16	.16	.16
No	.04	.02	Penn. Pete..........	209,500	.03¾	.05⅞	.03¾	.05¾
1	.28	.20	Petrol..........	3,000	.25	.20	.20	.20
No	.14	.09	Ranchmen's..........	735	.12	.12	.11	.11
1	.01	.01	Regent..........	......	.01	.....	.....	.....
No	.02½	.01½	Richfield..........	100	.02½	.01½	.01½	.01½
No	6.65	6.00	Royalite..........	40	6.60	6.50	6.50	6.50
1	.10	.08	Sarnia Oil..........	1,000	.08	.09	.09	.09
1	.03	.01	Signal Hill..........	1,100	.02½	.01¾	.01¾	.01¾
No	*.27	.05	South West Pete.	......	.10	.....	.....	.....
1	.20	.17	Spooner..........	100	.20	.17	.17	.17
No	.11	.08½	Sterling Pacific...	500	.10	.08½	.08½	.08½
1	.11	.11	Turner Valley..........	......	.11	.....	.....	.....
No	.08	.07	United..........	3,030	.07½	.07½	.07	.07½
1	.09	.09	Vulcan..........	......	.09	.....	.....	.....
No	.02	.00½	Wainwell..........	1,000	.01½	.00½	.00½	.00½
1	*.28	.08	Waite Valley..........	......	.08½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transactions for Week to January 27)					
25c	*.01	.00½	Bayview..........	......	.00½	.....	.....	.....
20c	.04½	.03½	Beaver Silver..........	1,500	.04½	.04½	.04	.04
25c	*.02½	.02	Bluebird..........	......	.02	.....	.....	.....
1	......	......	Bridge River Cons.	22,200	.....	.12½	.11¾	.12½
25c	*.80	.40	B.C. Silver..........	......	.40	.....	.....	.....
25c	*.02	.00½	Cork Province..........	......	.01	.....	.....	.....
1	.06	.06	Cotton Belt..........	200	.06	.06	.06	.06
1	*.03	.02	Dalhousie Mines.	......	.02½	.....	.....	.....
1	*.04	.02	Dunwell..........	......	.02	.....	.....	.....
1	*.10	.02	Duthie..........	......	.02½	.....	.....	.....
1	.45	.45	George Copper..........	......	.45	.....	.....	.....
50c	.01¾	.01½	Geo. Enterprise..	1,000	.02	.01¾	.01½	.01½
1	.04¾	.03	Georgia River..........	53,000	.03½	.03½	.03	.03
1	.24	.22	Golconda..........	......	.24	.....	.....	.....
50c	.08	.06½	Grandview..........	11,100	.07	.07	.06½	.06¾
No	*27.50	15.00	Howe Sound..........	......	21.25	.....	.....	.....
1	.11	.09	Intern. Coal..........	400	.11	.11	.11	.11
1	*.02	.01	Independence..........	......	.01½	.....	.....	.....
1	.01	.01	Indian Mines..........	2,000	.02	.01	.01	.01
1	*.43	.22	Jack Waite..........	......	.25	.....	.....	.....
25c	*.02	.00½	Kootenay King..	......	.01	.....	.....	.....
25c	*.02	.00¾	L. & L..........	......	.02	.....	.....	.....
1	.19½	.13½	Lorne Gold..........	53,535	.17	.18	.16½	.17½
1	*.12	.12	Los Ang. Van..........	......	.12	.....	.....	.....
10c	.02	.02	Lucky Jim..........	......	.02	.....	.....	.....
2.50	*.01	.00½	Marmot Gold..........	......	.01	.....	.....	.....
5	.08	.08	Metaline Metals.	2,000	.09	.08	.08	.08
1	.03	.01½	Morton Woosley.	4,250	.01½	.01½	.01½	.01½
50c	.03	.02½	National Silver...	16,000	.02¾	.02½	.02½	.02¾
50c	.08½	.06	Noble Five..........	9,100	.06½	.06½	.05	.06
50c	*.12½	.02	Oregon Copper..........	......	.02	.....	.....	.....
1	3.85	3.40	Pioneer Gold..........	3,275	3.50	3.85	3.40	3.40
No	.01	.00⅞	Premier Border..	10,000	.01	.01	.00⅞	.01
50c	.08½	.06½	Porter Idaho..........	9,500	.07½	.07½	.06½	.07
No	.28	.26	Reeves McDonald	1,550	.28	.28	.25	.26
1	.27½	.22½	Reno Gold..........	62,630	.27½	.28	.25	.26½
1	*.04	.01	Rufus Argenta..........	......	.01	.....	.....	.....
1	.05	.05	Ruth Hope..........	......	.05	.....	.....	.....
1	.03½	.02½	Silverado..........	......	.02¼	.....	.....	.....
25c	.02	.02	Silver Crest..........	3,000	.02	.02	.01½	.01½
50c	.05	.00¾	Snowflake..........	......	.02	.....	.....	.....
1	*.45	.25	Sunloch..........	......	.25	.....	.....	.....
50c	*.02	.01	Topley Richfield.	......	.02	.....	.....	.....
5	*.20	.05	Toric..........	......	.05	.....	.....	.....
20c	.02½	.02	Wellington..........	......	.02½	.....	.....	.....
1	*.08	.02	Whitewater..........	......	.05	.....	.....	.....
No	*.03¾	.00½	Woodbine..........	......	.01	.....	.....	.....

*Quotations for 1931.

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters....	$2.50+a	3.55	Mercury Oil........	5c.	....
Dome Mines........	$1	10.05	Model Oils........	9c.	....
Granby............	50c.	....	Noranda............	50c.	3.00
Hollinger..........	65c.+5	13.20	Premier............	12c.	....
Howe Sound........	$2	....	Pioneer, B.C........	12c.	3.63
Inter. Nickel........	20c.	2.10	Sylvanite...........	4c.	....
Lake Shore........	$2+50c.	8.69	Teck Hughes........	60c.+5	14.34
McIntyre...........	$1	5.55	Wellington Oil......	5c.	....
McLeod Oils........	5c.	....	Wright-Har........	10+2½c.	4.46

a. Stock bonus 1 share for each 20 shares held.

PRINCIPLES OF SAFETY GIVEN TO INVESTORS IN RADIO BROADCAST

(Continued from page 11)

or marketability, costs money, so that the effort of every investor should be to get that degree of security which his circumstances require. It is well to remember when deciding what type of investment to buy that needs and not wishes should be the determining factor.

No investor, large or small, can well afford to go far along the road of investing without a considered and definite purpose or plan designed to meet his or her peculiar circumstances. A sound investment policy will be built around a number of cardinal investment principles but none is of more importance than the principle of security.

The unfortunate events of the last few years have brought home in no uncertain fashion the vital need for financial security and have provided an acid test of investment values.

If political and economic conditions, of which financial conditions are largely the result, were always certain, investment would present few problems and security none. The uncertainties surrounding economic life are too well known to make it necessary to more than suggest that if your investment structure is expected to serve its purpose, then it must be constructed of sufficiently well-secured investments to withstand the almost inevitable stress and strain of modern conditions.

Fortunately there are investments which have stood the most trying tests, and while the market value of even these may vary from time to time the income is paid with regularity and the principal when due.

Dominion Bonds Rank High

What are some of the well-secured investments that go to the making of a sound investment structure? Bonds of the Dominion of Canada, the provinces and some of the larger municipalities, such as Montreal and Toronto, provide the highest degree of safety. Canadians may be justly proud that there are no better investments than Canadian Government and high-grade municipal bonds. It is unnecessary here to elaborate on the strength of this class of security—a strength equal to the taxing power of the various political units issuing the bonds, plus the character of the Canadian people.

Other classes of investments which come in the second rank are the obligations of certain municipalities, first mortgage bonds of public utilities, railroad and some industrial companies. First mortgages on improved real estate are also entitled to a high investment rating.

In the third category are second mortgage bonds or corporation notes and debentures and after these come the class affording the least security, i.e., preferred and common stocks.

Each classification carries with it a less degree of security than the preceding one and this uncertainty is to some extent offset by the promise or expectation of a higher income return if everything goes well and the stress and strain does not become too great.

Investments of the highest grade provide not only the foundations of the investment structure but they also provide a good income in the way of a certain 5 or 6 per cent return. Investments in the junior classification may serve a useful purpose in building a super-structure once an adequate foundation is firmly established.

Yield Indicates Security

In stating that certain classes of investments possess a higher degree of safety than others the investor should realize that the preferred stock of a strong company may provide greater security than the first mortgage bond of a weak company. Usually in the case of investment the degree of security is indicated by the rate of income return on the amount of money invested. A high income return means a high degree of risk.

When the investor purchases a security he in effect enters into a contract that in return for his money the government or corporation will give him certain rights, as, for example, the right as a creditor to receive interest regularly and to the return of his principal when due. If a stock is purchased then the investor becomes a proprietor—either a preferred or common proprietor—entitled to a definite share in the profits and ownership of the company.

If you will look upon your investments as contracts between yourself and the government or corporation which receives the use of your money, your attention will be naturally directed to a consideration of the ability of that government or corporation to fulfil the terms of its contract.

Examine Ability to Pay

If an investment is but a contract and security is but the ability to carry out that contract, what are the tests of that ability? In pointing out what some well-secured investments were, mention was made of various classes of bonds, preferred and common stocks in order of the security each afforded. We may now consider briefly that arrangement in light of the ability to fulfill the contract represented by the investment.

First, bonds of the Dominion of Canada, the provinces and some of the larger municipalities are entitled to the highest rating because no one doubts either the ability or willingness of those governments and people to carry out their contracts with exactitude.

Bonds of the Dominion of Canada, for example, rest on the ability of the Parliament of Canada to raise money by any mode or system of taxation whatever. The chief sources of revenue at present are the following: customs duties, excise duties and taxes, income taxes, the post office, many miscellaneous sources.

The bonds of the provinces rest on the ability of each province to levy any form of direct taxation for provincial purposes within its own boundaries.

In the case of Ontario, for example, the chief sources of revenue are the following: motor vehicles and gasoline tax, succession duties tax, licenses and control board contributions, corporation taxes, lands and forests, etc. Neither the Dominion nor any province of Canada has ever defaulted on the payment of either principal or interest.

Corporate Structure Outlined

Turning to the securities of corporations we should, perhaps, first consider the structure of a typical corporation. Here, for instance, is one that has outstanding several different types of securities. It has a 5 per cent first mortgage bond issue, a 6 per cent debenture issue, a 7 per cent preferred stock and let us say a 7 per cent common stock.

Ranking ahead of all other securities is the first mortgage bond because by its contract it has first claim on the earnings and assets of the company. Next come the debentures which resemble promissory notes. They usually have no specific security other than being a promise to pay.

The next step takes us across the line from bonds to stocks. There is one fundamental difference between these two types of securities. The bond or debentures holder is a creditor of the business while the preferred or common shareholder is a proprietor or owner. The bondholders therefore have a claim on the earnings and assets in priority to the stockholder.

Unlike the creditor class, neither preferred nor common stockholders can compel the company to pay dividends even if there are sufficient earnings. The preferred stockholder has by the terms of his contract, however, a preference or priority over the common stockholder, and if the common stockholders are ever to receive a return the preferred stockholders must receive their dividends. Usually if the preferred dividends are not paid in one year they are made cumulative and arrears must be paid before the common is entitled to a dividend.

Common Stocks Rank Last

Common stocks are thus the least conservative type of investment. In the event of any falling off in earnings, all the other securities would be taken care of first and if earnings were insufficient to pay a return to all holders, the common stockholder would suffer, then the preferred stockholder, the debenture holder and lastly the first mortgage bondholder.

All companies do not have complicated capital structures; some have only common stocks outstanding. Also some companies have no difficulty in meeting all their contracts, whereas others have difficulty in meeting even their bond contracts. The wise thing to do, therefore, is not to try to judge investments by their names but to look beneath the surface.

It is a fairly safe rule that if over a period of years the earnings are insufficient to meet the claims of your investment contract, then the assets will be insufficient also.

Any type of investment in a company whose services or products are likely to be in constant and growing demand, such as electric light and gas companies, may well prove better than an investment in the first mortgage bonds of companies whose use to the community is declining, such, for instance, as some street railway companies or as the great bicycle industry was 30 years ago.

The investor should study himself as well as the investment and where the highest degree of security is required there can be no substitute. If you are not sure that you can properly interpret the facts surrounding an investment seek the aid of a reliable investment house.

In concluding, may I quote from Lord Bacon's "Essay on Riches." "He that resteth upon gains certain, shall hardly grow to great riches, and he that puts all upon adventures, doeth oftentime break and come to poverty. It is good, therefore, to guard against adventures with certainties that may uphold losses."

Real Estate Sales in Montreal

Real estate sales in the city of Montreal during the calendar year just passed numbered 7,140, and were valued at a total of $57,676,605, according to a report of the secretary of the Montreal Real Estate Board. Notre Dame de Grace ward led in the aggregate value of transactions, showing $9,051,683, while the central ward of St. George's showed $5,568,940, Rosemount coming next with $4,008,200. In the number of sales, however, Rosemount tops the list with 963.

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Canadian Mining News

ISLAND LAKE SEEN AS NEW GOLD FIELD BY CAMP VISITORS

Low Water Aids Prospectors in Making Finds on Islands

AIRPLANES BUSY

Rush to the Area Foreseen Before the Spring Breakup Halts Transportation

From Our Own Correspondent

WINNIPEG — Island Lake, 50 miles long and from 10 to 20 miles wide, named by virtue of its 3,641 islands and situated some 275 miles north-east of Winnipeg, has recently been projected into Canada's mining picture as the location of a new goldfield.

Low waters of the past two years aided materially in exposing, along a chain of islands, gold in such value and such character of occurrence as to mark the field as outstanding in its possibilities.

Up to last year Island Lake area was only exploited for its resources in fur bearing animals. As far back as 1824 the Hudson's Bay Company established a post there.

Merited Prospecting

In 1927, Island Lake area was examined by J. F. Wright, geologist of the Department of Mines, Ottawa. In a report he drew attention to the district as meriting close prospecting.

On the basis of his report, alert mining men prospected in the area last summer and, in the fall, first news of gold finds reached Winnipeg.

Scanty snowfall, during the first part of this winter, enabled examination and rounding out of holdings to be made. Now, however, the ground is deeply snow blanketed and work has been correspondingly hindered.

A temporary lull is on as those in the field get in further supplies and new groups outfit preparatory to getting on the ground before the spring breakup puts a six weeks stop to communication.

The first finds were made by two Manitoba prospectors, Cowan and Reahill. They staked two groups, one of 12 claims and one of 6 claims. Ventures Limited optioned the first find. Since then 300 more claims have been staked and recorded.

Samples Assay High

Samples of ore brought to Winnipeg have returned gold values ranging from $21 upwards to high figures in some cases.

The gold values are secured from a dark colored quartz, well mineralized with fine sulphides. Surface showings run from three to ten feet wide and surface breaks have been traced over substantial lengths.

It is apparent that Island Lake is to see something in the nature of a gold rush in the early spring and that the airplane is again to prove its great value in opening up remote areas.

Get Access by Airplane

In this case the airplane is the sole practical means of access and to date 21 flights have been made to the lake. But that figure promises to look small in comparison to what is shaping up. Already the various airplane transport organizations are mobilizing their machines and personnel for the work ahead.

Canadian Airways, with a fleet of 25 planes available in the west, is slated once again to duplicate its Sherritt Gordon, Flin Flon, Rankin Inlet and other exploits.

The Stevens-McDonough Co. has five planes available and have made five flights to the field.

The Northwest Aero Marine has two planes for service while a number of free lances in the flying game are talking of participating.

Flights have been made from Waboden, at mile 137 on the Hudson Bay Railway and from Winnipeg.

So far only experienced prospectors and prospecting companies are in the field and it appears that the spring influx to Island Lake will be composed almost entirely of seasoned mining people.

Of special interest is the reappearance of the W. A. D. Synd. H. C. Davis of Boston, who with H. A. Wentworth and T. C. Anderson, comprised this original well known Manitoba syndicate, is now in Winnipeg and announces that the W. A. D. is embarking on an active campaign. Already substantial holdings have been taken up by them at Island Lake and a crew is at work on their claims.

Thayer Lindsley, president of Ventures, accompanied by E. L. Brown, superintendent at Sherritt-Gordon, flew in to the property which they optioned. Mr. Lindsley refused to comment at this stage as practically no exploratory work has been possible yet.

Among those already in the field are Ventures, The W. A. D. Synd., K. A. MacPhadyen & Co., representing the Timmins interest, John Drybrough acting for the James Richardson interests, an American organization, and the J. R. Morgan Synd., the latter having 12 claims on Confederation Island and 4 claims at Wapus Bay.

Island Lake area is of surpassing beauty. The lake itself with its 3,641 islands, the forests of spruce and other trees and the many streams, combine to make it most attractive and eventually to be classed with such beauty spots as Minaki and the Lake of the Woods.

Perrier Gold Mines New Shipper to Trail

A new shipper appears in the reports of ore receipts at the Trail smelter. During the first three weeks of January the Perrier Gold Mines shipped 304 tons of concentrates from its operations, near Cotton Lake, Nelson, British Columbia.

The company was incorporated in 1920 and carried on intermittent operations when finances permitted. In 1929 it was under option. The property is equipped with a small concentrator and development has been confined to drifting on two levels to open up an ore shoot north of the shaft.

Calgary interests are financing the company's activities.

Water Route Rate $320 To Great Bear

Official figures on transportation costs into Great Bear Lake, have just been issued by the Hudson's Bay Co.

From Waterways, the end of steel on the Northern Alberta Railway, via boat down the Athabaska, Slave, and Mackenzie Rivers, then up the Great Bear River, and across Great Bear Lake to Echo Bay, the transportation costs are $320 per ton. As an alternative and combination water and air route a rate of $80 per ton is made from Waterways to Rae, on the north arm of Great Slave Lake. From Rae to Echo Bay the air transportation charges are $360 per ton, or a total combination rate from Waterways to Echo Bay of $440 per ton.

TECK'S EARNINGS COVER DIVIDENDS IN LAST QUARTER

Grade Lowest in Recent History But Recent Months Better

The interim statement of Teck-Hughes Gold Mines for the three months ended November 30, 1931, shows a net profit of $755,150, as compared with $863,078 in the previous quarter. This is equivalent to 15.7 cents per share on the 4,797,144 $1 par value shares outstanding as compared with 18 cents per share in the previous quarter and as against dividend requirements of 15 cents per share.

Deducting the estimated nonoperating income and the premium on the gold produced shows that the value of the bullion produced was approximately $1,350,000. Assuming that the mill has been operating to capacity — around 1,300 tons daily—the total tonnage treated during the period under review would be approximately 122,000 tons, which indicates an average recovery of approximately $11 per ton. This compares with the recovery of $15.08 per ton average for the fiscal year ended August 31, 1931, and with $12.60 per ton for the three months ended September 30 last.

The decline in earnings, which are the lowest since the new mill was started early last spring, has given rise to speculation as to what the future holds as there is a feeling of uncertainty about the earnings of the company.

From unofficial sources of a reliable nature it is learned that while the recovery per ton reported during the period under review is the lowest in the company's recent history, production during the past two months has shown an improvement and the next quarter is expected to show a definite turn for the better. Developments on the new levels being opened up below the 28th level are viewed as being distinctly encouraging and the indications point to the lean horizons encountered on the 26th, 27th and 28th levels, as having been passed through.

At the annual meeting on November 17 last, it was admitted that the company had passed through some trying conditions, owing to the ore on some of the lower levels being of a grade and tonnage below the mine average. Shareholders had been led by official reports to expect millheads of around $18.00 per ton being maintained with the increased mill capacity. These lean levels while not anticipated were a repetition of the mining experience in the upper levels, where subsequent development always proved sufficiently rich to average up the grade.

The following is a comparative statement of estimated profits for the past two quarters.

	Three Mos. ended Nov. 30 1931	Aug. 31 1931
	$	$
Gross income	1,485,460	1,598,545
Operating costs	578,300	563,028
Net earnings	907,160	1,035,517
Less: Estimated taxes	75,810	88,653
Net before deprec. ..	831,350	946,864
Estimated deprec. ...	76,200	83,785
Net profit (estimated)	755,150	863,079
Earn. per share	0.157	0.18

BRETT TRETHEWEY SWAYZE TOWNSHIP CLAIMS PROMISING

Veins Have Been Found Over a Length of 5,000 Feet

Brett-Trethewey Mines is unostentatiously proceeding with the exploration of its find in Swayze township.

Eight men have been maintained at this camp since last fall when the find was announced and work to date has encountered over a dozen veins in a sheer zone up to 600 ft. wide, extending for 5,000 ft. across the company's property. The veins exposed are good strong showings 4 to 10 ft. wide. Channel sampling has been done as the veins have been stripped, and it is proposed to present details of the developments to the shareholders at the annual meeting, six weeks hence, that they may understand the significance of the company's holdings.

The company has other groups of property, but all work is concentrated on the Swayze township holdings, which was the original find in the area. To the east the adjoining claims are under option to the Cyril Knight Prospecting Co., which was conducting exploration work until climatic conditions interfered with progress. Work at this property is to be resumed next spring.

To the west of the Brett-Trethewey, work on the holdings of Consolidated Smelters has been continuing throughout the winter.

NICKEL ALLOYS STEADILY GAIN IN NEW FIELDS

Canadian Wineries Uses First "Monel Metal" Wine Vat

CANADIAN PRODUCT

"Monel Metal" Receives Only Finishing Touches in U. S. Plant Where Gas is Factor

A gratifying phase of the business of the International Nickel Co. of Canada is the expanding uses nickel and nickel alloys are being put to during the present period of industrial curtailment.

Nickel and nickel alloys almost daily are employed in some new developments. One new use that is unique in the wine industry is the employing of "Monel Metal" to make pasteurizing vats for the wine. In the past vitreous enamellined vats have been employed, but one objection urged is that the enamel cracks and chips. With "Monel Metal" a highly, polished, sanitary surface of great durability is afforded. The Canadian Wineries, Ltd., is making an initial installation of the new vat at their plant in Oakville.

Alloy Steels Gain

An investigation into the consumption of alloy metals discloses that during the past two decades their use has grown twentyfold. In 1909 it was estimated that the consumption in the United States of prepared metals was 200,000 tons while in 1929—the country's peak year—it was more than 3,957,000 tons.

While the uses of alloy steels continue to increase, the total tonnage employed in 1930 and 1931 was less than in 1929. This decline may be attributed to the lesser activity in the automotive industry—the largest user of alloy steels. While the automotive industry is still the largest user of alloy steels, until a few years ago their use was confined almost exclusively to that industry.

Research Department Active

In recent years an extensive research campaign has been conducted by the International Nickel Co. for the expansion of the use of nickel alloys and how successful this campaign has been is well exemplified by the fact that in 1920 the company's principal business was producing nickel for armament use. Today industry, instead of armament, takes practically the entire production. The steady increase in the use of nickel alloys in the automobile industry has been followed by the airplane industry and just recently a chrome-nickel steel airplane was constructed, which for the first time makes for the practical elimination of corrosion and age-hardening. All the structural parts, with the exception of the interplane struts and wing-covering are of nickel-steel.

It has recently been discovered that Michael Faraday, the great English physicist, should justifiably be termed the discoverer of alloy steel. In the basement of the Royal Institute, at London, there have been discovered 79 samples of Faraday's experiments with alloy steel. Included in these experiments are samples of nickel-iron alloy containing up to ten per cent nickel, while others were with a stainless steel employing platinum. Today, stainless steels include an alloy of nickel and chromium. International Nickel is conducting research work at the present time on platinum, since the Frood mine is one of the world's largest potential sources of this metal and an effort is being made to expand its uses.

A new use for "Monel Metal" and other nickel alloys that is growing in public favor is employing them for decorative uses and trimming public buildings and stores. The metal is rapidly replacing copper and bronze for this work in that it is non-corrosive, hard and durable, as well as taking a high polish.

"Monel" is Canadian Product

"Monel Metal" is a Canadian product, manufactured by the International Nickel Co. at Sudbury. It is an alloy containing approximately two-thirds nickel and one-third copper. It is made principally from the ore in the Creighton Mine at Sudbury, where, in nature, the proportions of copper and nickel are such that a natural alloy results from smelting this ore. After smelting this copper-nickel matte it is shipped to the company's rolling mill at Huntington, W. Va., where it is rolled into sheets and rods and made available for industrial use.

Just how uninformed some Canadian business men are on Canada's position in the nickel industry was exemplified when a recent Canadian order was being placed for "Monel Metal." One business man objected, said he wanted a Canadian product, little realizing that "Monel Metal" was distinctly a Canadian product with the exception of the finishing touches.

In connection with the rolling it is interesting to know that the site of a rolling mill is not governed entirely by geographical location, but rather by its accessibility to a source of supply of sulphur-free gas, employed in heating operations. It is imperative that no sulphur be present or come in contact with the rolling operations, otherwise this impurity would reflect in the "Monel Metal" non-corrosive qualities.

Keeley Silver Makes Final Shipments Before Stopping

The official production report of Keeley Silver Mines for the three months ended December 31 shows that the mine produced 7,491 ounces silver and 14,033 pounds of cobalt before operations were discontinued the beginning of November.

Owing to the termination of the company's contract with the Deloro Smelting and Refining Co., and the prevailing low prices of silver, it was decided to suspend operations and allow the mine to fill with water.

The total production for the year ended December 31 was 265,457 ounces silver and 196,098 pounds of cobalt.

NORANDA POSITION CONTINUES STRONG WHILE CURTAILING

Grade of Copper Ore Treated Reduced Instead of Tonnage

ORE RESERVES GAIN

Current Copper Output at About 40 Per Cent of Normal Capacity of Plant

From Our Own Correspondent

ROUYN. — Noranda's mining, smelting, and refining operations have developed to greater extent than is generally realized throughout Canada. It is common knowledge that Noranda is equipped with a smelter of about 2,000 tons daily capacity, and it is generally considered that Noranda is a high-grade copper-gold mine—with chief emphasis on the copper.

What is understood to a lesser degree is the fact that mineralization on Noranda is such that possibly 6,000,000 tons of ore may be regarded separately as low grade, while on the other hand there are about 4,000,000 tons that may be classified as high-grade. Another factor is that Noranda is working at present in co-operation with other large copper producers and is restricting output to about 40 per cent capacity. The point not fully understood is that Noranda is working at full tonnage capacity, drawing largely from the lower grade ore.

Early in 1932, the plants rated at an aggregate of around 3,000 tons daily, or a rate of over 1,000,000 tons annually. In addition to the smelter of 2,000 tons daily capacity, is the concentrating plant of 1,200 tons capacity.

Physical Condition Improves

In order to mine 1,000,000 tons of ore annually and still restrict copper production voluntarily to not more than 40,000,000 pounds annually, it becomes necessary to confine effort to sections of the mine where the copper content does not average over 2 per cent. The result is that the physical condition of the mine, from the standpoint of high-grade copper ore, is being steadily improved.

Drawing 90,000 tons of ore monthly from the mine, and obliged to restrict output to 40,000,000 pounds of copper annually, suggests not more than 3,500,000 pounds of copper per month, or not more than 2 per cent copper ore.

At the same time, drawing 90,000 tons of ore per month, yet producing about $450,000 in gold per month — Canada's fourth largest producer—suggests an average of $5 per ton in gold. Allowing something for waste being hoisted, and arriving at approximate estimates, the yield from Noranda at this time in round figures may be placed at about $9 per ton, made up of a little over $3 per ton in copper and a little under $6 per ton in precious metal, chiefly gold.

Gold Premium a Factor

Premium on exchange is a factor in reckoning the income. So, also, is the fluctuation in the price of copper. For the present, however, everything considered, the value of the ore may be estimated at approximately $9 to $10 per ton.

Likewise, costs vary to considerable extent, depending to some extent upon the grade of copper ore smelted, as well as other factors, yet a fair estimate of current costs, inclusive of all allowances, will not exceed $7 per ton.

This places the situation at Noranda at these approximate figures: 1,000,000 tons annually; costs $7 per ton; profits at $2 to $3 per ton, thereby suggesting gross output at the rate of $9,000,000 to $10,000,000 annually at present and with profit at the rate of $2,000,000 to $3,000,000 annually.

In mining circles, this is regarded as a remarkable achievement at Noranda — remembering that it represents what can be accomplished despite having restricted copper production to about 40 per cent of actual capacity.

At the beginning of 1931, Noranda had over 8,000,000 tons of ore containing an average of over 4 per cent copper. The gross copper content at that time was about 700,000,000 pounds. In addition to this was about $30,000,000 to $35,000,000 in gold.

$100,000,000 in Ore

In view of the extension of developments during 1931, it may be reasonable to find Noranda now with an aggregate of close to 10,000,000 tons of ore and over 800,000,000 pounds of copper. Likewise, work on the Chadbourne section of the mine is believed to have added to the gold in sight.

Despite the low price of copper, the ore reserves of Noranda have a value of not far under $100,000,000 at this time.

A point of very great importance to shareholders of Noranda is that at such time as the value of copper returns to a normal price, the value of the reserves would increase by tens of millions of dollars. Likewise, when the time comes when production may proceed at full capacity, the Noranda mine has been developed to a point where copper output could be increased about 150 per cent at comparatively short notice.

Ontario Dept. of Mines Issues Annual Report

The fortieth annual report of the Ontario Department of Mines covering activities for 1930 has just been issued.

The report is a 157-page bulletin covering in an exhaustive manner the activities of the various mining companies during 1930. The statistical section gives details of production of all mining activities in the province with comparisons of former years. It also covers each mineral mined in the province and reviewed with respect to its economic importance.

The bulletin is available gratis by the application to the Ontario Department of Mines.

The department has also just prepared a new map, No. 40-E, covering the Goudreau gold area, district of Algoma.

This district is becoming of increasing interest and the map just prepared is of particular interest on account of the scale used.

Hollinger Shows Higher Earnings In Last Quarter

A preliminary estimate of earnings of the Hollinger Consolidated Gold Mines, accompanying the recent dividend cheques, showed the net profits for the year ended December 31, as $3,686,490, equivalent to 75 cents per share, as compared with $3,963,728 or 81 cents per share in 1930.

The fourth quarter of the year ended December 31 was the best in the year, both in respect to net profits, tonnage of ore treated and the value of the gold and silver produced.

While the value of the gold and silver bullion produced during the fourth quarter of 1931 as well as the total for 1931 is substantially higher than in previous periods, this is probably accounted for by the premium paid on gold production, as it is not set forth in a separate figure. The value of this premium during the latter part of 1931 would account for close to $500,000 and bring the total value of the production without the premium to about $250,000 below 1930.

An item of interest in the preliminary statement is the operating expenses which are shown at $7,464,744 as compared with $6,819,049 in 1930. This increase in the expenses can be attributed largely to the intensive development programme, particularly at depth, on the Schumacher section of the company's property.

While the development programme has evidently been more extensive, the ore reserves show a decrease from $448,806,685, in 1930, to $46,241,688 at the close of 1931. This, however, does not truly represent the picture of development work, since, on the Schumacher section of the company's property, developments have not reached that stage where ore could be blocked out and incorporated in the ore reserves. Recent unofficial statements indicate that developments in this section of the property are exceedingly promising, but an interpretation of the work proceeding in this section cannot be made for some months to come.

While the statement must be considered a preliminary one, as it does not include write-offs, it does show the trend of the company's activities.

The statement on earnings from other than operations indicates but a slight decline below those of 1930, and suggests that earnings from the company's investments have made a good showing despite declining earnings on most securities.

The following tabulation gives a comparison of earnings and production for the four quarters of 1931 with the total compared with 1930:

	1st quar. 1931	2nd quar. 1931	3rd quar. 1931	4th quar. 1931	All 1931	All 1930
	$	$	$	$	$	$
Tons milled	412,685	400,458	412,737	414,825	1,640,705	1,625,868
Daily average	4,535	4,440	4,450	4,500	4,500	4,450
Rec. per ton	5.57	5.82	6.75	6.95	6.42	6.31
Value of bullion	2,613,342	2,249,345	2,784,317	2,881,861	10,528,865	10,263,504
Int. & other income	157,163	162,132	153,737	149,338	622,370	639,426
Total income	2,770,505	2,411,477	2,938,054	3,031,199	11,151,235	10,902,930
Oper. expend.	1,787,559	1,890,954	1,854,495	1,931,736	7,464,744	6,819,049
Oper. profit	982,946	520,523	1,083,559	1,099,463	3,686,491	4,083,881
Dividends	799,500	799,500	799,500	1,045,500	3,444,000	3,444,000
Surplus before deprec. .	183,446	*278,977	284,059	53,963	242,491	639,881
Earn. per share	0.20	0.11	0.22	0.22	0.75	0.81

*Debit balance.

GROZELLE MINES CONTROL PASSES TO NEW GROUP

Teck-Hughes Denies Being Interested in New Deal

Control of the Grozelle Kirkland Gold Mines has been acquired by new interests, according to official information given The Financial Post. For the past few months shares in the company have been actively traded in and have advanced from a low of 6½ cents per share, in 1931, to a high of 22 cents per share in January, last.

Last December the company notified its shareholders that an attempt was being made to gain control of the company by some unknown interests. At that time it was rumored that it was Teck-Hughes Gold Mines that was interested in the company's property, but Teck-Hughes officials told The Financial Post they were in no way interested.

The company has an authorized capitalization of $3,000,000 in $1 par value shares. Of these, 2,132,858 shares are outstanding. The company's holdings consist of three claims and two fractions, about the 113 acres at Kirkland Lake, Ont., adjoining the Teck-Hughes Gold Mines on the north.

An annual meeting of the company is to be held on February 24, at which time it is expected that further information will be available.

The company's holdings adjoin that of the Honer claims and those of the United Kirkland, and it is reported that these properties are to be consolidated. Recent activity in the latter's shares indicate some plan is under consideration.

VIPOND REPORTS HIGHER RECOVERY IN LAST QUARTER

Higher Grade of Ore Treated is Principally Responsible

The quarterly production report of Vipond Consolidated Mines for the three months ended December 31, 1931, showed the value of the gold bullion as $135,512 from 24,933 tons of ore milled. This is a substantial increase from the recovery reported in the previous quarters both in respect to the total recovery and the grade of ore treated. In addition to the above production the company received a premium on its gold production, which during the last quarter averaged close to 15 per cent.

At the annual meeting of the company's shareholders held on November 24, last, it was announced that an extensive development programme was as yet inconclusive and that the deep development work had not resulted in any outstanding discovery, but at the same time there were some encouraging indications.

Before the end of the current year the company's known ore reserves will become pretty well depleted and extended operations will be dependent upon new ore being found. No ore is being mined below the 1,000 ft. level. The present exploration work is on the 1,450 ft. level.

The following is a comparison of production for the last quarter ended December 31, last, and the previous quarter:

	4th quar. 1931	3rd quar. 1931	Year 1931
Tons milled ..	24,935	23,805	100,214
Total recovery, $	135,512	105,293	569,451
Recovery per ton	5.43	4.42	5.68
Tons daily	271	259	275

N. Timmins Not Connected With the LeRoy Gold Mines

In the last issue of The Financial Post reference was made to N. A. Timmins as being associated with the LeRoy Gold Mines. This reference was made on information coming from what was believed to be a well-informed source. We are now advised officially that Mr. Timmins has no connection with the company.

STADACONA ROUYN ANNOUNCES PLANS FOR MORE WORK

Option Given on 1,000,000 Treasury Shares to Provide Funds

Stadacona Rouyn Mines recently granted an option on 1,000,000 shares of treasury stock, which—if and when sold—will net the company $300,000 and enable it to continue the development of its property.

Principal interest in the company's holdings centre about its Pelletier Lake property situated midway between the Granada Rouyn and the Noranda Mines in Rouyn township, Quebec. This property has responded to development in a satisfactory manner and a shaft has been sunk to a depth of 300 ft. where 1,000 ft. of lateral work was done and a downward continuation of the veins disclosed on the surface, proved. Owing to limited finances the company suspended lateral development work for diamond drilling, which gave encouraging indications.

The next step in the company's development will be to let a contract for 3,000 ft. of diamond drilling, after which the 300 ft. shaft is to be deepened to 1,000 ft. and lateral work done on the veins indicated by diamond drilling. At 1,000 ft. depth diamond drills indicated an ore body averaging $13 in gold over a width of 11 ft.

Last October, approval was given to reduce the original capitalization of 5,000,000 shares to 3,500,000 shares of which 1,000,000 shares were issued to the old shareholders. Of these 1,000,000 shares, 650,000 are pooled until July 25, 1932.

MANITOBA MINING IS VALUED IN 1931 NEAR $10,000,000

New Operations Make Big Gain Despite Low Prices

Manitoba's mining industry has made a splendid showing in 1931, the value of its output running close to $10,000,000 as compared to $5,453,182 in 1930.

The province has the distinction of being the only province in Canada to score an increase in both quantity and value of minerals during the past year. The hundred per cent gain is due to the increased production at Flin Flon, which started operations late in 1930, and to new production from Sherritt-Gordon, which started early in 1931.

Had base metal prices been normal, the value of 1931 output would have been close to 20 million dollars or a total amounting to roughly four times that of 1930.

Production Leaps

Some detail of individual items may serve to show the new position being taken by the mining industry in Manitoba.

Copper output at about 45,000,000 pounds compares with 2,087,609 pounds in 1930; zinc at about 40,000,000 pounds with 3,882,141 pounds in 1930; silver up almost nine times over at $300,000 against $36,114 the previous year; gold at $2,200,000 against $479,359 in 1930.

The only loss recorded was in non-metallics which fell off because of decreased building and other construction.

Manitoba's metal mines operated at a steadily increasing output throughout the year and at a profit. For the base metal operators to have been able to do so at a time of abnormally low copper and zinc prices when most producers, elsewhere, were either on a partial output basis or else closed, indicates what may be expected of Manitoba's mines when metal consumption and price levels are again normal.

Manitoba two years ago had one mine producer turning out less than half a million dollars per year in gold. In 1930, one new producer, Flin Flon, was added. In 1931, Sherritt-Gordon joined the producers and in addition, San Antonio and Gem Lake commenced preparing for production.

For 1932, this province appears assured of a total of five metal producers as compared to one producer two years ago.

Box Factory Resumes Activity

The box factory of International Wood Products Ltd., at New Westminster, has resumed operations, employing about forty men.

Siscoe Shares Under Option Are Exercised

An additional 150,000 shares of Siscoe Gold Mines were issued on February 1, 1932, under terms of the option agreement with N. A. Timmins, Thayer Lindsley and George Woods.

In 1930 when this group undertook to finance Siscoe's operations and purchased 150,000 shares they were given an option to purchase an additional 600,000 shares at prices ranging from 50 to 75 cents per share. The option on the first 150,000 expired on September 1, 1931, and was taken up. The option on the second block of 200,000 shares expired on February 1, leaving 250,000 shares under option until October 1, 1932.

The authorized capitalization of the company is $5,000,000 in $1 par value shares of which 4,750,000 shares were outstanding on December 31, 1930. These shares in the treasury totalled 603,269, including 250,000 unissued shares. It is, therefore, apparent that while these options have been taken up there has been no increase in the outstanding capitalization. Therefore, there is no dilution in the capitalization by the exercising of these options.

Elect Officers Montreal Board

The 1932 officers of the Montreal Board of Trade, elected by acclamation are headed by R. P. Jellett, general manager of the Royal Trust Company, as president; Henry W. Morgan and R. J. Magor as vice-presidents and Henry G. Birks as treasurer.

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